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FOREIGN ASSISTANCE FOR NORTHERN IRELAND AND THE REPUBLIC OF IRELAND

COMPLETED

HEARING AND MARKUP

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS

AND ITS

SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

ON

H.R. 4329

MARCH 5 AND 6, 1986

Printed for the use of the Committee on Foreign Affairs

ORIGINAL

U.S. GOVERNMENT PRINTING OFFICE

60-986 O WASHINGTON : 1986

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* Submitted by the Department of State.

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FOREIGN ASSISTANCE FOR NORTHERN IRELAND AND THE REPUBLIC OF IRELAND

WEDNESDAY, MARCH 5, 1986

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST,
Washington, DC.

The subcommittee met at 9:40 a.m., in room 2172, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the subcomittee) presiding.

Mr. HAMILTON. The subcommittee will come to order.

The Subcommittee on Europe and the Middle East meets today to consider U.S. economic assistance for Ireland and Northern Ireland.

Since the signature of the Anglo-Irish Agreement on November 15, 1985, the Foreign Affairs Committee has been in close consultation with the administration about the question of possible U.S. economic assistance to help implement the November Agreement. The committee had been assured that a formal request for such U.S. assistance would be presented some time ago. The formal request was received by the committee last night. The committee faces a busy legislative schedule this spring and therefore could not delay its initiation of this inquiry.

The subcommittee joins the leadership of the Congress and the President in welcoming the Anglo-Irish Agreement as an important and hopeful step toward a solution of the many problems which have affected the people of Northern Ireland for so long. The Congress is appreciative of the importance of the United States to the people of Ireland and of the close relationship the United States enjoys with the governments of both Britain and Ireland.

The Congress has been informed that it will be asked to consider a 5-year package of U.S. economic assistance totaling $250 million. The program would begin in fiscal year 1986 with the first tranche of $50 million. It is the Chair's understanding that a formal request has been delayed because the mix of the $50 million request is still being discussed. Given budget constraints, the committee wants to scrutinize this request carefully and explore the most effective uses for U.S. economic assistance to Ireland and Northern Ireland.

The subcommittee is honored today to begin with testimony from the Honorable Thomas P. O'Neill, Speaker of the House of Representatives. The Speaker will be followed by the Honorable Thomas S. Foley, majority whip of the U.S. House of Representatives, and

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the Honorable Mario Biaggi, a Representative in Congress from the State of New York.

The subcommittee will then receive testimony from the Honorable Rozanne L. Ridgway, Assistant Secretary of State for European and Canadian Affairs, and the Honorable Charles W. Greenleaf, Jr., Assistant Administrator, Bureau for Asia and the Near East, Agency for International Development.

We welcome all of you before the subcommittee this morning. If you have prepared statements, they will of course be entered into the record in full.

Before we begin, the Chair would ask unanimous consent to insert into the hearing record statements submitted by the Irish National Caucus and the American Irish Political Education Committee.

Without objection, those statements will be entered in the record.[1]

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

OPENING REMARKS OF HON. BENJAMIN A. GILMAN

Mr. GILMAN. Mr. Chairman and colleagues on the committee, I would like to make a few comments on the subject of American aid for Ireland as we begin our hearings today.

The question of Ireland, divided between the Irish Republic and British-ruled Northern Ireland, has been vexing the American people for many years, as well as the Irish people.

Since the late 1960's, our Nation has become more acutely aware of the situation of the minority Catholic community in the north.

After many false starts, at least one hopeful sign has emerged as a first step toward a final, just, and peaceful settlement of the problems of Northern Ireland.

The Anglo-Irish Agreement of November 1985 has resulted in a role for the Republic of Ireland in the governance of the north, to the end that the alienation of the minority community be alleviated by progress in improving the quality of their lives and increasing their participation in the processes of government.

While many have attacked the Anglo-Irish Agreement as insufficiently sensitive to the aspirations of Irishmen for a united Ireland, a great many others, including the political representatives of the majority of the Catholic community island-wide, have endorsed it.

Congress has joined in that endorsement by moving to back up its words with concrete support.

While our aid to Ireland should be generous, it should also be conditioned on administering and spending our taxpayers' money in a nondiscriminatory manner to achieve the aims of the accord: respect for the rights of both communities in Northern Ireland, reconciliation, and an opportunity for all to fully participate in the structures and processes of Government.

While we have not had an opportunity to study the administration proposal—and I would hope that we would have that opportu-

[1] See apps. 2 and 3.

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nity sometime during the day before we report out legislation—the chairman of the committee is preparing a draft as well.

Permit me to call to my colleagues' attention the comments which have been forwarded to us by private witnesses who we were unable to accommodate by hearing their testimony in open session. I hope that we would take a close look at all of that testimony, and I thank the chairman for including it as part of the hearing record today.

And, Mr. Chairman, I would like to ask that we have a reasonable time to enter into the record any additional statements that we may receive subsequent to the hearing.

I look forward to an informative hearing, in particular, because of the presence of our distinguished colleagues and our Speaker, Mr. O'Neill, majority whip Foley, and Congressman Biaggi, who we welcome to our subcommittee.

Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Lantos.

OPENING REMARKS OF HON. TOM LANTOS

Mr. LANTOS. Thank you, Mr. Chairman.

I would just like to say a word or two, because I do not want to detain our distinguished Speaker.

It seems to me, Mr. Chairman, we have a fleeting moment of historic opportunity to put an end to the anguish and tragedy of Ireland, and I for one welcome the leadership that our Speaker has provided this effort.

As you know, a few weeks ago Congressman Gilman and I led a bipartisan congressional delegation to Ireland where a great deal of our time and attention was devoted to the possibility of this proposal.

It seems to me that it would be singularly appropriate if the Irish-American community would now attempt to create a strong and dramatic private sector counterpart to this legislative proposal.

The American business community, the American professional community is rich beyond belief in the contributions of Irish-Americans, and this provides a unique historic opportunity for the chief executive officers of major corporations, of businesses across this country to participate in what I visualize as a cooperative public/private partnership in putting an end to the anguish of Ireland.

I very much hope that, with the leadership of our Speaker, the President, Senator Kennedy, and others who are leaders in the community, there will be such an effort. It is clear that in an age of Gramm-Rudman the Congress will view any such proposal with a far greater degree of empathy and support and favor if there is a demonstration by the Irish-American community that there is a private sector component to go hand in hand with this legislative initiative.

Thank you, Mr. Chairman.

Mr. HAMILTON. Thank you, Mr. Lantos.

Mr. Speaker, we welcome you, and you may proceed.

STATEMENT OF HON. THOMAS P. O'NEILL, SPEAKER OF THE HOUSE OF REPRESENTATIVES

Speaker O'NEILL. Thank you, Chairman Hamilton.

I speak with fervent passion today. In America there is a feeling that we go back to the roots, and on my mother's side my mother and my grandmother came from Donegal, where I have many relatives, and my grandfather on my mother's side came from Belfast. I have been in that area many times, and so it is with deep feeling that I talk about the land of my heritage.

I welcome this opportunity to testify today before this distinguished subcommittee on behalf of providing U.S. assistance to the process of bringing peace to Northern Ireland.

Last fall, the Governments of Ireland and the United Kingdom took a dramatic step toward building a framework for peace and reconciliation in Northern Ireland. The Anglo-Irish Accord is a recognition by the Governments of Great Britain and Ireland that the violence of the last 17 years could only be stopped by bringing an end to the political stalemate in Northern Ireland and providing instead a new political process. This process provides the basis for developing ties of cooperation and understanding between the two traditions in Northern Ireland.

Beginning in 1977, Senator Kennedy, Senator Moynihan, Governor Carey, and myself issued a series of St. Patrick's Day statements condemning violence in Northern Ireland and urging United States-Americans to withhold their support for IRA terrorists who were bringing death and destruction to the land of their forebears.

I believe that terrorism in Northern Ireland constitutes a direct threat to the democratic institutions in the United Kingdom and Ireland. The assassinations and attempted murders of elected officials strikes at the heart of the democratic process. Furthermore, the senseless murders of more than 2,500 Irishmen and Englishmen, Catholics and Protestants over the last two decades has brought terrible grief and suffering to one of Europe's oldest and most respected cultures. The time has certainly come to replace terror and religious hatred in Northern Ireland with a commitment to political dialog and constitutional change.

The Anglo-Irish Accord is the law of the land in the United Kingdom and Ireland. It is a historic commitment by two Western democracies to promote an end to civil strife in a fair, just, and creative way.

Beginning in 1977, President Carter, and later President Reagan, pledged the assistance of the United States in the event that the United Kingdom and Ireland reached an agreement that provided a framework for peace and reconciliation in Northern Ireland.

On November 15, 1985, the day the Anglo-Irish Accord was signed in Hillsborough, President Reagan and I joined together in the Oval Office of the White House to endorse the agreement. On that occasion the President stated that "the United States strongly supports this initiative" and that he "* * *will be working closely with Congress in a bipartisan effort to find tangible ways for the United States to lend practical support to this important agreement."

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So we have the word of the last two Presidents of the United States.

As you know, the President and I have had our differences on many issues over the last 5 years, but we have no difference on the need to end the violence in Northern Ireland and bring about political progress there in a peaceful and constitutional fashion. We are unified in our commitment to help our friends in the Parliaments of London and Dublin to move forward in bringing justice and reconciliation to Northern Ireland.

The events of this week in Northern Ireland demonstrate the great obstacles that the process of constructive change faces in Northern Ireland. Centuries of civil conflict and strife are not easily overcome. But I believe that the commitment of the Governments of Ireland and the United Kingdom to implement the Anglo-Irish Accord is unshakable.

The prospects for the success of that accord depends, in no small way, on having the resources to promote economic growth and social stability in Northern Ireland. The United States has an opportunity to contribute to the process of political progress in Northern Ireland by contributing to the special International Fund for Rehabilitation and Reconstruction provided for by section [illegible] of the accord.

Based on my recent discussions with President Reagan [illegible] retary Shultz, I understand that the Department of State [illegible] ommend that Congress appropriate $50 million a year for [illegible] years to this fund. I believe that, considering current budget restraints this is a reasonable sum. We had talked of higher sums previously [illegible] that. I do, however, believe that the assistance should be substantially in the nature of economic support funds and not loan guarantees.

I repeat: I believe that the assistance should be substantially in the nature of economic support funds and not loan guarantees. I also believe that the Congress should make the aid subject to standard conditions for assistance and not make it contingent on a long list of political conditions. We need to express our unqualified support for the accord, not our doubts about it.

I want to thank this committee for bringing this important issue before the Congress and the American people.

Problems in Ireland have always had an American dimension. Over 40 million Americans are of Irish ancestry, and I must agree with the remarks of Mr. Lantos. Men and women from the two traditions in Ireland, both Protestant and Catholic, were early settlers in America and in later years made enormous contributions to the building of this Nation into the strongest Nation in the world.

Over the centuries, Ireland's greatest contribution to the world has been its people. Today, a corner of that island has serious problems. Its people need help in overcoming the divisions of its history. I have visited Northern Ireland. I have met with its people, its leaders, Unionist and Nationalist. I have seen the destruction and the suffering. I have no illusions about the challenge that the cause of peace and justice faces there.

But I believe this accord provides the best chance in nearly two decades of "troubles" in Northern Ireland to build a bridge of hope and reconciliation for Northern Ireland. We know from our experi-

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ence in the United States that diversity can be a source of strength and not a source of weakness. We know in the United States that justice and opportunity are the fruits of a democracy and not the rewards of violence and terrorism.

And that is why I have come before you today, because I believe we have an obligation to help promote peace and reconciliation in Northern Ireland in a practical and measurable way. The Governments of Ireland and the United Kingdom have done their part. For we, a Nation with 40 million of us having our roots there, the time has come for our Government of the United States to do its part.

Thank you, Mr. Chairman.

[The prepared statement of Speaker O'Neill follows:]

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PREPARED STATEMENT OF SPEAKER THOMAS P. O'NEILL, JR.

MR. CHAIRMAN:

I WELCOME THIS OPPORTUNITY TO TESTIFY TODAY BEFORE THIS DISTINGUISHED SUBCOMMITTEE ON BEHALF OF PROVIDING U.S. ASSISTANCE TO THE PROCESS OF BRINGING PEACE TO NORTHERN IRELAND.

LAST FALL, THE GOVERNMENTS OF IRELAND AND THE UNITED KINGDOM TOOK A DRAMATIC STEP FORWARD TOWARDS BUILDING A FRAMEWORK FOR PEACE AND RECONCILIATION IN NORTHERN IRELAND. THE ANGLO-IRISH ACCORD IS A RECOGNITION BY THE GOVERNMENTS OF GREAT BRITAIN AND IRELAND THAT THE VIOLENCE OF THE LAST SEVENTEEN YEARS COULD ONLY BE STOPPED BY BRINGING AN END TO THE POLITICAL STALEMATE IN NORTHERN IRELAND AND PROVIDING INSTEAD A NEW POLITICAL PROCESS. THIS PROCESS PROVIDES THE BASIS FOR DEVELOPING TIES OF COOPERATION AND UNDERSTANDING BETWEEN THE TWO TRADITIONS IN NORTHERN IRELAND.

BEGINNING IN 1977, SENATORS KENNEDY AND MOYNIHAN, GOVERNOR CAREY AND I ISSUED A SERIES OF ST. PATRICK'S DAY STATEMENTS CONDEMNING THE VIOLENCE IN NORTHERN IRELAND AND URGING IRISH-AMERICANS TO WITHHOLD THEIR SUPPORT FROM THE I.R.A. TERRORISTS WHO WERE BRINGING DEATH AND DESTRUCTION TO THE LAND OF THEIR FOREBEARS.

I BELIEVE THAT TERRORISM IN NORTHERN IRELAND CONSTITUTES A DIRECT THREAT TO DEMOCRATIC INSTITUTIONS IN THE UNITED KINGDOM AND IRELAND. THE ASSASSINATIONS AND ATTEMPTED MURDERS OF ELECTED OFFICIALS STRIKES AT THE HEART OF THE DEMOCRATIC PROCESS. FURTHERMORE, THE SENSELESS MURDERS OF MORE THAN TWENTY-FIVE HUNDRED IRISHMEN AND ENGLISHMEN, CATHOLICS AND PROTESTANTS, OVER THE LAST TWO DECADES HAS BROUGHT TERRIBLE GRIEF AND SUFFERING TO ONE OF EUROPE'S OLDEST AND MOST RESPECTED CULTURES. THE TIME HAS CERTAINLY COME TO REPLACE TERROR AND RELIGIOUS HATRED IN NORTHERN IRELAND WITH A COMMITMENT TO POLITICAL DIALOGUE AND CONSTITUTIONAL CHANGE.

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THE ANGLO-IRISH ACCORD IS THE LAW OF THE LAND IN THE UNITED KINGDOM AND IRELAND. IT IS A HISTORIC COMMITMENT BY TWO WESTERN DEMOCRACIES TO PROMOTE AN END TO CIVIL STRIFE IN A FAIR, JUST AND CREATIVE WAY.

BEGINNING IN 1977 PRESIDENT CARTER AND LATER PRESIDENT REAGAN PLEDGED THE ASSISTANCE OF THE UNITED STATES IN THE EVENT THAT THE UNITED KINGDOM AND IRELAND REACHED AN AGREEMENT THAT PROVIDED A FRAMEWORK FOR PEACE AND RECONCILIATION IN NORTHERN IRELAND.

ON NOVEMBER 15, 1985 THE DAY THE ANGLO-IRISH ACCORD WAS SIGNED IN HILLSBOROUGH, PRESIDENT REAGAN AND I JOINED TOGETHER IN THE OVAL OFFICE TO ENDORSE THE AGREEMENT. ON THAT OCCASION THE PRESIDENT STATED THAT "THE UNITED STATES STRONGLY SUPPORTS THIS INITIATIVE" AND THAT HE "...WILL BE WORKING CLOSELY WITH CONGRESS IN A BIPARTISAN EFFORT TO FIND TANGIBLE WAYS FOR THE UNITED STATES TO LEND PRACTICAL SUPPORT TO THIS IMPORTANT AGREEMENT."

AS YOU KNOW, THE PRESIDENT AND I HAVE HAD OUR DIFFERENCES ON MANY ISSUES OVER THE PAST FIVE YEARS. WE HAVE NO DIFFERENCES ON THE NEED TO END THE VIOLENCE IN NORTHERN IRELAND AND BRING ABOUT POLITICAL PROGRESS THERE IN A PEACEFUL AND CONSTITUTIONAL FASHION. WE ARE UNIFIED IN OUR COMMITMENT TO HELP OUR FRIENDS IN THE PARLIAMENTS OF LONDON AND DUBLIN TO MOVE FORWARD IN BRINGING JUSTICE AND RECONCILIATION TO NORTHERN IRELAND.

THE EVENTS OF THIS WEEK IN NORTHERN IRELAND DEMONSTRATE THE GREAT OBSTACLES THAT THE PROCESS OF CONSTRUCTIVE CHANGE FACES IN NORHTERN IRELAND. CENTURIES OF CIVIL CONFLICT AND STRIFE ARE NOT EASILY OVERCOME. BUT I BELIEVE THAT THE COMMITMENT OF THE GOVERNMENTS OF IRELAND AND THE UNITED KINGDOM TO IMPLEMENT THE ANGLO-IRISH ACCORD IS UNSHAKABLE.

THE PROSPECTS FOR THE SUCCESS OF THAT ACCORD DEPEND, IN NO SMALL WAY, ON HAVING THE RESOURCES TO PROMOTE ECONOMIC GROWTH AND SOCIAL STABILITY IN NORTHERN IRELAND. THE UNITED STATES HAS AN OPPORTUNITY TO CONTRIBUTE TO THE PROCESS OF POLITICAL PROGRESS IN NORTHERN IRELAND BY CONTRIBUTING TO THE SPECIAL INTERNATIONAL FUND FOR REHABILITATION AND RECONSTRUCTION PROVIDED FOR BY SECTION TEN OF THE ACCORD.

BASED ON MY RECENT DISCUSSIONS WITH PRESIDENT REAGAN AND SECRETARY SHULTZ, I UNDERSTAND THAT THE DEPARTMENT OF STATE WILL RECOMMEND THAT CONGRESS APPROPRIATE FIFTY MILLION DOLLARS A YEAR FOR FIVE YEARS TO THIS FUND. I BELIEVE THAT CONSIDERING CURRENT BUDGET RESTRAINTS THAT THIS IS A REASONABLE SUM. I DO, HOWEVER, BELIEVE THAT THE ASSISTANCE SHOULD BE SUBSTANTIALLY IN THE NATURE OF ECONOMIC SUPPORT FUNDS AND NOT LOAN GUARANTEES. I ALSO BELIEVE THAT CONGRESS SHOULD MAKE THE AID SUBJECT TO STANDARD CONDITIONS FOR ASSISTANCE AND NOT MAKE IT CONTINGENT ON A LONG LIST OF POLITICAL CONDITIONS. WE NEED TO EXPRESS OUR UNQUALIFIED SUPPORT FOR THE ACCORD NOT OUR DOUBTS ABOUT IT.

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I WANT TO THANK THIS COMMITTEE FOR BRINGING THIS IMPORTANT ISSUE BEFORE THE CONGRESS AND THE AMERICAN PEOPLE.

PROBLEMS IN IRELAND HAVE ALWAYS HAD AN AMERICAN DIMENSION. OVER FORTY MILLION AMERICANS ARE OF IRISH ANCESTORY. MEN AND WOMAN FROM THE TWO TRADITIONS IN IRELAND, PROTESTANT AND CATHOLIC, WERE EARLY SETTLERS OF AMERICA AND IN LATER YEARS MADE ENORMOUS CONTRIBUTIONS TO THE BUILDING OF THIS NATION INTO THE STRONGEST NATION ON EARTH.

OVER THE CENTURIES, IRELAND'S GREATEST CONTRIBUTION TO THE WORLD HAS BEEN ITS PEOPLE. TODAY, A CORNER OF THAT ISLAND HAS SERIOUS PROBLEMS. ITS PEOPLE NEED HELP IN OVERCOMING THE DIVISIONS OF ITS HISTORY. I HAVE VISITED NORTHERN IRELAND, I HAVE MET WITH ITS PEOPLE AND ITS LEADERS, UNIONIST AND NATIONALIST. I HAVE SEEN THE DISTRUCTION AND THE SUFFERING. I HAVE NO ILLUSIONS ABOUT THE CHALLENGE THAT THE CAUSE OF PEACE AND JUSTICE FACES THERE.

BUT I BELIEVE THAT THIS ACCORD PROVIDES THE BEST CHANCE IN THE NEARLY TWO DECADES OF "TROUBLES" IN NORTHERN IRELAND TO BUILD A BRIDGE OF HOPE AND RECONCILIATION IN NORTHERN IRELAND. WE KNOW FROM OUR EXPERIENCE IN THE UNITED STATES THAT DIVERSITY CAN BE A SOURCE OF STRENGTH AND NOT A SOURCE OF WEAKNESS. AND WE KNOW IN THE UNITED STATES THAT JUSTICE AND OPPORTUNITY ARE THE FRUITS OF OF DEMOCRACY AND NOT THE REWARDS OF VIOLENCE AND TERRORISM.

AND THAT IS WHY I HAVE COME BEFORE YOU TODAY BECAUSE I BELIEVE WE HAVE AN OBLIGATION TO HELP PROMOTE PEACE AND RECONCILIATION IN NORTHERN IRELAND IN A PRACTICAL AND MEASURABLE WAY. THE GOVERNMENTS OF IRELAND AND THE UNITED KINGDOM HAVE DONE THEIR PART. THE TIME HAS COME FOR THE GOVERNMENT OF THE UNITED STATES TO DO ITS PART.

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SUPPORT FOR ASSISTANCE PROGRAM

Mr. HAMILTON. Mr. Speaker, we thank you for getting this subcommittee and the committee off to a very good start in our consideration of this important legislation.

I feel certain that the full committee will see fit to support tomorrow when we take it up, the 5-year program of economic assistance that you have testified in support of, in part because of your leadership, your excellent leadership, on this issue.

I have noted your statement carefully. I particularly noted your observations about our need to express unqualified support and not load this bill up with a lot of conditions. I think that is a very important observation for you to have made.

We thank you, sir, for your testimony.

Mr. Gilman?

Mr. GILMAN. I just want to add our gratitude to the Speaker for his appearance before the committee, for his support in trying to expedite the process of aid in support of the Anglo-Irish Agreement, something that is long overdue. I hope that we can get early consideration on the floor.

Thank you, Mr. Chairman.

Speaker O'NEILL. I want to thank you, gentlemen.

Mr. HAMILTON. Mr. Lantos.

ROLE OF IRISH-AMERICAN BUSINESS SECTOR

Mr. LANTOS. I want to commend our Speaker for his eloquent and brilliant presentation, and I have a question. Would you be willing, Mr. Speaker, upon reflection, to sponsor, along with the President, a convocation of the Irish-American business leadership here in Washington to see whether a private sector counterpart could be created to this legislative proposal?

Speaker O'NEILL. I think at the present time there are organizations out in the field with that in mind. Whether it would need the—I know it has had my cooperation, for example, and I have to presume that the President of the United States would give his blessing to a thing of that nature. Whether there should be something formal of a bipartisan nature in view of the fact that it would be governmental and business, that is something that I really do not know.

Mr. LANTOS. Thank you.

Speaker O'NEILL. I do appreciate your earlier remarks about those of us who are successful in America and who have roots in Europe. Unfortunately many of them have been negligent in following their roots, where they come from, and have not given thought of help like you mention. I look at that era in which many of the emigrants to America from Ireland came as a time of "Be American, Buy American." There was an age in America where truly not only the people of Irish extraction but the people of many extractions thought American and forgot about their roots. However, getting back to one's roots is in, in America today. I see it and I can feel it all over the country regardless of what ethnic background you're from. So I can foresee of people of Irish-ethnic strains who are successful in the industrial world and in the busi-

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ness world following through if we are successful enough in getting this on the right road.

Thank you.

Mr. LANTOS. Thank you, Mr. Speaker.

Mr. HAMILTON. Mr. Smith.

Mr. SMITH of Florida. Thank you, Mr. Speaker.

Mr. Chairman, I just want to commend the Speaker for a very valid statement and also to underscore a point that he made. Two points.

IRISH-AMERICAN CONCERN ABOUT VIOLENCE

One is, going back to your roots, 43 percent of the city of Hollywood that I reside in is Catholic, and it is Irish, and those people really care about what is going on today and are very, very upset about the fact that it has gone on for so long, and I think they want us to and we have an obligation to try and implement any agreement which would bring an end to the violence and the bloodshed and bring about some national reconciliation.

VALUE OF ESF ASSISTANCE

The other thing is that I, as you, believe that it ought to be in economic support funds and not in loan guarantees, and I have just been handed a piece of paper which purports to be a bill from the administration which I have some strong problems with, and I am sure that we will be working those out as we go along, Mr. Speaker, and hope that we can get to where you would like to be and where a lot of Americans would like to be on this issue.

Speaker O'NEILL. I am very grateful to you, Mr. Smith.

Mr. HAMILTON. Mr. Feighan.

Mr. FEIGHAN. Thank you, Mr. Chairman.

VALUABLE ROLE OF SPEAKER O'NEILL

Good morning, Mr. Speaker, and let me say that I think your presence here this morning is extremely valuable, extremely helpful, in moving what I think is one of the most important initiatives that we will be considering in this committee this year.

I know, as I think we all do, that no one in this Congress and perhaps no one in the country has been more persistent in their effort to try to bring a peaceful settlement to the conflict that continues to rage in Northern Ireland than yourself, and I think your presence here today underscores not just that personal commitment but, in a broader sense, underscores the great opportunity that exists right now that has not existed at any time in the last 15 or 16 years, which has been the most intense struggle in modern history in Northern Ireland, so I want to express my appreciation on behalf of all of the people I represent and all of the relatives who I have who will be deeply affected by what we do here today and tell you that I think that all the work you have done today and all the work you have been doing in your public career on behalf of the people who are trying to seek a just, responsible settlement is enormously welcomed.

Thank you.

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Speaker O'NEILL. Thank you, Mr. Feighan.

Mr. HAMILTON. Thank you very much, Mr. Speaker.

Speaker O'NEILL. Thank you, Mr. Chairman.

Thank you members of the committee.

Mr. HAMILTON. Our next witness will be the Honorable Thomas S. Foley, majority whip of the U.S. House of Representatives.

I want to advise my colleagues that I have been informed Mr. Foley is engaged in some negotiations on the agricultural bills, and he can only be here very briefly, so we want to respect his time commitments.

Mr. Foley, we are delighted to have you here, sir.

Mr. FOLEY. Well, thank you very much.

Mr. HAMILTON. We know of your interest in this for many years, and we look forward to your statement.

STATEMENT OF HON. THOMAS S. FOLEY, MAJORITY WHIP, U.S. HOUSE OF REPRESENTATIVES

Mr. FOLEY. Thank you very much, Mr. Chairman and members of the subcommittee.

I would like to express my appreciation to you, sir, and to the members of the subcommittee for acting so promptly in bringing this important matter before the subcommittee and the Congress.

There was great satisfaction among all who value peace, reconciliation, and security in Northern Ireland, with the recent Anglo-Irish Agreement concluded on November 15, 1985. It is a historic and courageous effort on the part of two great Governments to move forward and away from a path of violence and disruption that has marred the conditions of life in Northern Ireland for the past 17 years.

I need not go over that long and sad history: 2,500 people of all religious faiths and backgrounds murdered, economic disruption, sectional strife, and warring against the two great traditions of the island.

I want to emphasize how important it is that Congress fulfill a commitment made by both President Carter and now by President Reagan by providing both moral and financial support for this agreement. The support should be tangible. I underscore the Speaker's strong recommendation that it be economic support and not mere loan guarantees. This support cannot and should not be seen as anything to do more than providing an earnest expression of the goodwill and commitment of the American people in forging the conditions where both great traditions of Ireland can find a path to reconciliation and peace.

It is also important to note that the President and the Speaker have been unequivocal and eloquent in their denunciation of violence and terrorism in Northern Ireland. Great credit is due to them for their consistent effort in speaking out against the support of violence in Northern Ireland and the occasional, unfortunate misguided efforts of some Americans who do support—some mistakenly and some directly—the cause of violence.

In recent years Speaker O'Neill, Senator Kennedy, Senator Moynihan, and a large bipartisan group of Representatives and Senators have joined in St. Patrick's Day statements which have specifi-

cally denounced those efforts to support violence and encourage only peaceful efforts to bring about democratic institutions and progress in Northern Ireland.

I would like to just read briefly from a paragraph of the 1985 statement of the Friends of Ireland, signed by the Speaker and by many others in both the House and the Senate.

> We again express in the strongest terms our determination to uphold the rule of law and to encourage deeper devotion to democratic principles and institutions which will in the end assure us guarantees of individual liberty and minority rights.
>
> We oppose, without qualification, any resort to the bomb or the bullet as a way to promote political change. Political violence is morally abominable as well as inherently antidemocratic, and there is no more place for it in Northern Ireland than there is in the United States.
>
> We renew our plea to Americans not to provide support for those who advocate or engage in violence. It cannot help Ireland. The recent resurgence of killings in Northern Ireland only make less likely the resolution of fundamental political issues, and we ask that all Americans of all backgrounds in faith oppose the men of violence.

There is an opportunity now, as Mr. Lantos has suggested, for Americans of Irish ancestry to provide help.

There is also an opportunity for this Congress to support the commitments of two administrations in providing a tangible earnest of our support for the Anglo-Irish agreement and the historic and courageous action of our two oldest friends in to bring peace, reconciliation, and security to the people of Northern Ireland.

I would only add one other caution. We should, as the Speaker said so clearly, be seen as supporting this agreement, not attempting to amend it, or interfere with it, or change it. We should not attempt to apply special political conditions to our efforts to provide assistance in Northern Ireland. The assistance is going to be provided to both communities to provide economic development to the future of the area and provide an economic context in concert with the efforts of other nations, including the European Community, to bring about peace and reconciliation. It would be a grave mistake, in my judgment, for this Congress to attempt to set upon our assistance a long list of political conditions.

Thank you, Mr. Chairman.

[Mr. Foley's prepared statement follows:]

PREPARED STATEMENT OF HON. THOMAS S. FOLEY, MAJORITY WHIP, U.S. HOUSE OF REPRESENTATIVES

MR. CHAIRMAN, DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST, I WOULD LIKE TO EXPRESS MY APPRECIATION TO YOU FOR GIVING ME THE OPPORTUNITY TO SUPPORT THE ESTABLISHMENT OF A PROGRAM OF FINANCIAL ASSISTANCE TO THE PROCESS OF PEACE AND RECONCILIATION CURRENTLY UNDERWAY IN NORTHERN IRELAND.

YOU HAVE CARRIED OUT WITH GREAT DISTINCTION THE HEAVY RESPONSIBILITIES OF SHAPING AMERICAN FOREIGN POLICY IN AREAS CRITICAL TO OUR NATIONAL INTEREST. IN THIS PROCESS YOU HAVE ALSO TAKEN ON THE SAD DUTY OF BECOMING BOTH THE LEADING EXPERTS ON, AND WITNESSES OF THE VIRULENT INTERNATIONAL EPIDEMIC OF TERRORISM.

ALL OF US IN THE HOUSE HAVE APPRECIATED YOUR WORK TO HALT THE SPREAD OF THIS SCOURGE OF NATIONS AND HAVE APPLAUDED YOUR ELOQUENT CONDEMNATIONS OF THIS WAR AGAINST THE INNOCENT.

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YOU KNOW MORE THAN MOST THAT TERRORISM STRIKES FRIEND AND FOE ALIKE. IT ATTACKS OUR NEIGHBORS AND, WITH EVER-GROWING FREQUENCY, REACHES OUR COUNTRY AND OUR PEOPLE. TERRORISM POSES, IN ALL ITS MANY FORMS, THE SINGLE MOST IMPORTANT THREAT AGAINST THE INSTITUTIONS OF DEMOCRATIC GOVERNMENT.

IT IS THE THIEF OF FREEDOM.

THE WAR AGAINST TERRORISM IS PARTICULARLY DIFFICULT FOR DEMOCRATIC GOVERNMENTS, AND WHEN THESE GOVERNMENTS JOIN IN AN UNPRECEDENTED EFFORT TO ERADICATE THE CAUSES OF TERROR AND DISARM ITS GUNMEN THEY DESERVE OUR UNDERSTANDING AND SUPPORT.

TODAY, GREAT BRITAIN AND IRELAND ARE JOINED IN SUCH AN EFFORT. PRIME MINISTER THATCHER AND PRIME MINISTER FITZGERALD HAVE DEMONSTRATED ENORMOUS POLITICAL COURAGE IN SIGNING AN AGREEMENT ON ANGLO-IRISH

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COOPERATION IN NORTHERN IRELAND THAT WE ALL HOPE WILL LEAD TO THE PEACE AND RECONCILIATION THAT THEIR PEOPLE LONG FOR.

AS THE SPEAKER POINTED OUT IN HIS EXCELLENT STATEMENT, TERROR HAS STALKED THE CITY STREETS AND VILLAGE LANES IN NORTHERN IRELAND OVER THE LAST 17 YEARS. IT HAS TAKEN OVER 2,500 VICTIMS TO THE GRAVE--VICTIMS YOUNG AND OLD, MEN AND WOMEN

THE GUNMEN HAVE RIPPED AT THE TWO GREAT TRADITIONS OF A GREAT PEOPLE AND HAVE SOUGHT TO PROMOTE HATE AND DIVISION WHEN THOSE WHO MUST BARE THE BURDEN OF THEIR VIOLENCE HAVE WANTED ONLY PEACE, JUSTICE, AND RECONCILIATION. THE GUNMEN AND MURDER GANGS OF NORTHERN IRELAND HAVE ALSO SENT THEIR EMISSARIES OF DEATH INTO THE STREETS OF DUBLIN AND LONDON AS THEY SPREAD NEW GRIEF IN AN EVER-WIDER WAR ON THE TRADITIONS OF CIVILIZATION AND DEMOCRATIC GOVERNMENT.

THESE MEN ARE INDEED MEMBERS OF THAT BLOODY BROTHERHOOD OF INTERNATIONAL TERROR THAT HAVE SEEMED SO IMMUNE FOR SO LONG TO JUSTICE AND DEFEAT.

BUT NOW TWO FREE NATIONS, ONE A STEADY AND OLD ALLY AND THE OTHER AND STEADY AND OLD FRIEND HAVE JOINED TOGETHER TO ERASE THE CONDITIONS THAT HELP MAKE TERRORISM POSSIBLE--POVERTY, UNEMPLOYMENT, DESPAIR, AND ALIENATION.

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THE ANGLO-IRISH AGREEMENT REACHED ON NOVEMBER 15, 1985, OFFERS NO QUICK AND EASY ANSWERS TO DEEP ROOTED PROBLEMS PRESENT IN FREE SOCIETIES THROUGHOUT THE WORLD. BUT IT COMMITS THE GOOD WILL AND NATIONAL EFFORT AND TREASURE OF TWO PARLIAMENTARY DEMOCRACIES TO A LONG AND DIFFICULT TASK--THE QUEST FOR PEACE, JUSTICE, AND RECONCILIATION IN THE CONTEXT OF CONSENT FROM TWO PROUD COMMUNITIES AND TWO GREAT TRADITIONS.

ALL OF US APPRECIATE THE DETERMINATION OF THE BRITISH AND IRISH GOVERNMENTS AS THEY FACE THE TERRORISTS THAT HAVE PLAGUED THE PEOPLE OF IRELAND, NORTH AND SOUTH, AND GREAT BRITAIN. THE GOOD WILL OF THE AMERICAN PEOPLE TOWARDS THIS EFFORT WAS REFLECTED LAST YEAR BY A RESOLUTION OF CONGRESS IN SUPPORT OF THE ANGLO-IRISH AGREEMENT. THIS RESOLUTION YOU WILL RECALL COMMITTED THE CONGRESS TO SUPPORT A PROGRAM OF FINANCIAL ASSISTANCE TO THE PROCESS OF POLITICAL DIALOGUE AND DEMOCRATIC CHANGE IN NORTHERN IRELAND.

ALL OF US WHO ARE FRIENDS OF IRELAND ALSO APPRECIATE THE CONSISTENTLY STRONG STAND TAKEN BY PRESIDENT REAGAN AGAINST TERRORISM IN IRELAND. HE HAS BEEN ELOQUENT IN HIS EQUALLY STRONG SUPPORT FOR PEACEFUL

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POLITICAL PROGRESS IN NORTHERN IRELAND. HIS VOICE HAS BEEN THE VOICE OF THE AMERICAN PEOPLE.

I SUPPORT THE SPEAKER'S RECOMMENDATION THAT THE UNITED STATES MAKE A SIGNIFICANT CONTRIBUTION TO THE INTERNATIONAL FUND FOR IRELAND THAT HAS BEEN ESTABLISHED UNDER THE ANGLO-IRISH AGREEMENT. I ALSO BELIEVE THAT THIS COMMITMENT SHOULD BE A MULTI-YEAR COMMITMENT IN RECOGNITION THAT THE TASK AT HAND WILL BE BOTH LONG AND HARD.

CERTAINLY, A CONTRIBUTION BY THE UNITED STATES OF $50 MILLION A YEAR OVER A FIVE YEAR PERIOD TO AN INTERNATIONAL EFFORT WILL GIVE COURAGE TO THE BRAVE MEN AND WOMEN IN IRELAND AND GREAT BRITAIN WHO STRUGGLE ON BEHALF OF PEACEFUL, CONSTITUTIONAL CHANGE AND AN END TO A RELIGIOUS DIVISION AND HATRED.

I WOULD LIKE TO EMPHASIZE THAT THIS ASSISTANCE SHOULD BE SUBSTANTIALLY IN THE NATURE OF ECONOMIC SUPPORT FUNDS AND NOT LOAN GUARANTEES. ALONG WITH THE SPEAKER I BELIEVE THAT CONGRESS SHOULD MAKE THE AID SUBJECT TO STANDARD CONDITIONS FOR ASSISTANCE AND NOT MAKE IT CONTINGENT ON A LONG LIST OF POLITICAL CONDITIONS. WE MUST OFFER SUPPORT--NOT DOUBTS--TO THE AGREEMENT.

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THE PRESIDENT ON NOVEMBER 15, 1985, SAID THE UNITED STATES "STRONGLY SUPPORTS" THE HISTORIC ANGLO-IRISH AGREEMENT AND ADDED THAT HE "WILL BE WORKING CLOSELY WITH THE CONGRESS IN A BIPARTISAN EFFORT TO FIND TANGIBLE WAYS FOR THE UNITED STATES TO LEND PRACTICAL SUPPORT TO THIS IMPORTANT AGREEMENT."

THE SPEAKER'S PROPOSAL FOR A SIGNIFICANT MULTI-YEAR PROGRAM OF FINANCIAL SUPPORT TO THE PEACE PROCESS, WHICH IS THE BEST WEAPON AGAINST TERROR, WILL TURN THIS COMMITMENT INTO A REALITY. IT WILL HELP TWO OLD FRIENDS FIGHT A [redacted] COMMON ENEMY TO US ALL--TERRORISM.

I URGE THE COMMITTEE'S SUPPORT FOR THIS PROPOSAL AND I THANK YOU FOR YOUR TIME AND CONSIDERATION.

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COMMENDATION OF MR. FOLEY

Mr. HAMILTON. Thank you, Mr. Foley, and we are deeply appreciative of your leadership. You have been very supportive of the Speaker and the President in their request here. Your leadership is appreciated by this subcommittee.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

I have no questions, but I just want to commend Mr. Foley for appearing before the committee, and again I hope that we can expedite the process of considering this measure on the floor.

Thank you for your appearance.

Mr. LANTOS [presiding]. Thank you very much.

Any comments?

[No response.]

Mr. LANTOS. I am very pleased to call to the witness stand Mr. Biaggi.

There is no one in this body who has done as much for bringing long overdue peace and stability and reason to the much-troubled island than our friend and colleague, Congressman Biaggi. The subcommittee is delighted to have you appear.

STATEMENT OF HON. MARIO BIAGGI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. BIAGGI. Thank you very much, Mr. Chairman.

I am deeply grateful for the opportunity to testify at this morning's historic hearing of the Subcommittee on Europe and the Middle East as you begin consideration of legislation to authorize first-time U.S. economic assistance to Northern Ireland and the Republic of Ireland.

I wish to commend Chairman Hamilton for the opportunity he affords me to present my views on this important issue. I also wish to pay tribute to my good friend, Ben Gilman, the ranking minority member of this subcommittee, who has been a champion for the cause of peace in Ireland.

Ever since the Ad Hoc Committee for Irish Affairs in the Congress was established, Congressman Ben Gilman has been closely associated, indefatigable in his commitment and resolve.

I am the proud author of the first two bills introduced in the 99th Congress to provide economic assistance to Northern Ireland and Ireland.

I have been advancing legislation on this subject since 1983 when I introduced a bill to provide $50 million in economic aid.

In the 9 years I have served as chairman of the Ad Hoc Congressional Committee for Irish Affairs, I have recognized the need not only for a political solution in Northern Ireland but one which includes an economic reform and redevelopment.

I know I speak for most of the 113 members of the ad hoc committee when I express my gratitude to this subcommittee for initiating House action on an economic development bill for Northern Ireland and Ireland, and I might add that all four Members present today serve on that ad hoc committee, and their presence has proven to be valuable.

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Even more importantly I guess is the fact that you, Mr. Chairman, serve as the chairman of the Human Rights Caucus, and your sensitivity in that area has long been established, and your advocacy and your role is one that has obtained international renown.

My first bill, H.R. 2597, was introduced in May and is cosponsored by 25 of our colleagues. It, as well as my other bill, H.R. 3772, will authorize $500 million over 5 years for economic relief, rehabilitation, and redevelopment assistance for Northern Ireland and the Republic.

My second measure was introduced just after the signing of the Anglo-Irish Agreement on Northern Ireland, which I view as a fragile first step forward by the British Government toward a political solution.

A more detailed description of my bill is contained in my submitted testimony.

I have served as a Member of the House since 1969. Over those past 17 years, I feel I know the legislative process well enough to conclude that the economic aid bill may not be either of my bills. However, I am proud to have pioneered the effort that has led us to this historic point today.

I am also acutely aware of the calendar. We are less than 2 weeks away from the annual celebration of St. Patrick's Day. I would venture a guess that whatever legislative vehicle does emerge from this subcommittee is on a legislative fast track.

Let me say from the outset before we see the administration's proposal that the mere providing of economic aid to Northern Ireland without some specific conditions and assurances relative to its use and beneficiaries would be a mistake and indeed be irresponsible. It will certainly not result in the kind of contribution we all want our aid to make: a lasting political solution.

On February 7 of this year, together with 21 of our colleagues, I sent a letter to Chairman Dante Fascell relative to the issue of economic aid to Northern Ireland.

Mr. LANTOS. Could you put the microphone a little bit closer to you Mr. Biaggi, both of them, please?

Thank you very much.

Mr. BIAGGI. Thank you.

On February 7 of this year, together with 21 of our colleagues, I sent a letter to Chairman Dante Fascell relative to the issue of economic aid to Northern Ireland. I wish to reiterate the basic points of this letter.

One, the most important goal of the United States economic aid to Northern Ireland must be that it tangibly benefits both communities. To accomplish this, the United States must have a clearly defined role in the distribution of our aid.

I recommend that this legislation include specific language which makes it U.S. policy that any and all recipients of our aid implement and adhere to the strong principles of fair employment and nondiscrimination. I therefore explicitly call for linkage between the American economic aid and the MacBride principles, named for the Nobel Peace Prize winner, Sean MacBride. This principle calls for employers to promote employment opportunities for Catholics and Protestants alike in Northern Ireland and a prohibition against harassment in the workplace.

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The MacBride principles are modeled after the Sullivan principles which continue as a corporate code of conduct for American companies doing business in South Africa.

I would add, Mr. Chairman, that this linkage between aid and the MacBride principles is supported by the full AFL-CIO. Their distinguished secretary-treasurer, Tom Donohue, said in a recent statement:

> If we are to provide government help, and I personally support such a system, we must ensure that the affirmative action guidelines provided by the MacBride Principles are made the operating criteria for any U.S. aid package.

In addition, the linkage is strongly supported by our Nation's leading Irish-American organizations, including the Ancient Order of Hibernians, the Irish National Caucus, and the Irish-American Unity Conference.

It seems only consistent that we make this linkage the centerpiece of our aid package. Should we fail to, we hold ourselves vulnerable to the charges of employing a double standard in our economic aid policies, and we make the people of Northern Ireland and the Republic the victims of this double standard.

Another important goal of U.S. economic aid to Northern Ireland is that it contributes to the elimination of the cycle of violence, civilian and official, which scars so much of daily life in Northern Ireland. To that end I call on U.S. economic aid to be just that and not to be used in any fashion for security purposes, including intelligence activities.

It is critical that there be a definite degree of accountability associated with American economic aid to Northern Ireland and Ireland.

I would urge that no aid be approved unless it is provided in full compliance with the human rights provisions in our law, the Foreign Assistance Act.

I would also urge that language be included to require regular monitoring through annual Presidential certifications that economic aid is being distributed in compliance with the letter and spirit of this Nation's law.

On a related note, I strongly oppose efforts being made by Members in the other body to link passage of economic aid to Northern Ireland to ratification of the controversial Supplementary Extradition Treaty between the United States and the United Kingdom.

While the economic aid proposal represents a potentially positive United States contribution to the future of Northern Ireland, the Supplementary Treaty is cut from the opposite cloth and should be rejected.

I salute today the distinguished Speaker of the House for his tremendous work on behalf of this issue. He, as well as the majority whip, Mr. Foley, and I agree on one basic point: The need for future U.S. economic assistance in Northern Ireland is not an issue.

Northern Ireland has the highest unemployment rate in all of Western Europe, 21.3 percent. This burden has fallen the hardest on the Catholic minority in the north. In the city of Newry, unemployment among Catholics is 60 percent. In Strabane, the rate is

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more than 50 percent. Some families are entering a second and third generation of unemployment, poverty, and despair.

I stress the fact that I have serious problems with any economic aid proposals advanced by Congress which allows the British Government, whose policies are responsible for economic misery in Northern Ireland, to have any substantial degree of control over its distribution.

As I understand the administration-backed bill, it would provide $250 million in aid over 5 years to provide support to carry out the purposes of the Anglo-Irish agreement. This agreement and the aid would be implemented and administered largely through the Intergovernmental Conference of the Anglo-Irish Intergovernmental Council.

Herein lies my greatest concern. It is far too early in the process to invest that type of responsibility in an unproven entity. In our euphoria to embrace the Anglo-Irish agreement, let us not be naive in our expectations. This intergovernmental council is in name only. Unless and until the British Government declares its intention to make changes in the existing political status quo in Northern Ireland, make no mistake about it. They will control this intergovernmental Conference or any agency established under it. They will also control U.S. economic aid.

The Dublin Government at this point only has a say in the intergovernmental conference structure, and there are no indications that role will in any way be enhanced through passage of an American aid package.

I have spent the last 17 years being involved with the Irish question. I feel uniquely privileged to be involved in a component of an eventual solution. There have been many dark days over these past 17 years. There have been senseless and seemingly relentless episodes of violence causing death and maiming of thousands.

There were periods when the political vacuum in the north of Ireland threatened the stability of the island. There were many times when the ruling British Government gave the Northern Ireland issue their lowest priority. Yet in many ways the past several years we may have begun to turn the corner on the Irish issue.

We see the British Government for the first time speaking in terms of a political solution in Northern Ireland. We see the potential for a new relationship between England and Ireland over the future of the north. We find great concern in activism in the Irish-American community, in the State legislatures, and of course in the Congress.

The issue has become an American foreign policy issue. Today we cross another and perhaps one of our most significant thresholds. We are talking about United States aid to Northern Ireland. My appeal is a simple one. Let us not engage in selective morality in our policies toward Northern Ireland. Let us recognize the very real problem of discrimination that does in fact exist in those six counties. Let us, as we did in South Africa, apply the kind of economic pressure to force change. Let us commit ourselves to allowing U.S. economic aid to be a model for the type of American contribution that can help advance a lasting political solution, a solution which I hope will be an Ireland which, like the United States, will be one nation indivisible with liberty and justice for all.

[The prepared statement of Mr. Biaggi follows:]

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PREPARED STATEMENT OF HON. MARIO BIAGGI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

I am deeply grateful for the opportunity to testify at this morning's historic hearing on the Subcommittee on Europe and the Middle East, as you consider legislation to provide first-time economic assistance to Northern Ireland and the Republic of Ireland.

I am the proud author of the first two bills introduced in the 99th Congress to provide economic assistance to Northern Ireland and Ireland. I have been advocating legislation of this type since 1983, when I introduced a bill to provide $50 million in aid. In the nine years I have served as Chairman of the Ad Hoc Congressional Committee for Irish Affairs, I have recognized the need for, not only a political solution in Northern Ireland, but one which includes economic reform and redevelopment. I know I speak for the 113 members of the Ad Hoc Committee in expressing support to this Subcommittee for initiating House action on an economic development bill for Northern Ireland and Ireland.

My first bill, H.R. 2597, is co-sponsored by 25 of our colleagues. It would authorize $500 million over five years in economic relief, rehabilitation and redevelopment assistance for Northern Ireland and Ireland. Under this bill, the Agency for International Development would maintain control over the distribution of our aid. In addition, my bill conditions the release of this aid, to the British government taking two important steps:

1) Actively committing itself to discussions with all parties in the Republic of Ireland and Northern Ireland aimed at achieving a political solution.

2) Declaring its intention to withdraw governmentally, politically, and militarily in a phased and orderly fashion from Northern Ireland.

My second bill, H.R. 3772, provides the same $500 million over 5 years, but drops the conditions for release of the funds. This measure was introduced immediately after the signing of the Anglo-Irish Agreement in the hope that the accord was a fragile first step forward by the British government toward a political solution.

I have been a member of this House since 1969. I believe that I know the legislative process well enough to know that the final product may not be either of my bills. However, I am proud to have pioneered the effort that has led us to this historic point today.

I am also acutely aware of the calendar. We are less that two weeks from the annual celebration of St. Patrick's Day. I would surmise that, whatever the legislative vehicle on economic aid, it is headed for a fast track.

However, I contend, in the strongest possible terms, that the mere providing of economic aid to Northern Ireland, without some specific conditions and assurances relative to its use and beneficiaries -- could be a mistake and, indeed, be irresponsible. It will certainly not result in the kind of contribution, we all want our aid to make, to a lasting political solution.

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On February 7 of this year, together with 21 of our colleagues, I sent a letter to Chairman Dante Fascell, relative to the issue of economic aid to Northern Ireland. I wish to reiterate the basic points of this letter:

1) The most important goal of United States economic aid to Northern Ireland must be that it tangibly benefits both communities. To accomplish this, the United States must have a clearly-defined role in the distribution of our aid. I recommend that this legislation include specific language which makes it United States policy that any and all recipients of our aid implement and adhere to strong principles of fair employment and nondiscrimination.

I, therefore, explicitly call for linkage between American economic aid and the MacBride Principles. Named for Nobel Peace Prize winner, Sean MacBride, his principles call for employers to promote employment opportunities for Catholics and Protestants alike in Northern Ireland and prohibition against harassment in the workplace. The MacBride Principles are modeled after the Sullivan Principles, which continue as a corporate code of conduct for American companies doing business in South Africa.

I would add, Mr. Chairman, that this linkage between aid and the MacBride Principles is supported by the full AFL-CIO. Their distinguished Secretary-Treasurer, Tom Donohue, said in a recent statement, "If we are to provide government help, and I personally support such a system, we must ensure that the affirmative action guidelines provided by the MacBride Principles are made the operating criteria for any U.S. aid package." In addition, the linkage is strongly supported by our Nation's leading Irish American organizations including: the Ancient Order of Hibernians, the Irish National Caucus, and the Irish American Unity Conference. It seems only consistent that we make this linkage the centerpiece of our aid package. Should we fail to, we hold ourselves vulnerable to charges of employing a double standard in our economic aid policies; and we make the people of Northern Ireland and Ireland the victims of this double standard.

Another important goal of U.S. economic aid to Northern Ireland is that it contribute to the elimination of the cycle of violence, civilian and official, which scars so much of daily life in Northern Ireland. To that end, I call on U.S. economic aid to be just that -- and not be used in any fashion for security purposes, including intelligence activities.

It is critical that there be a definite degree of accountability associated with American economic aid to Northern Ireland and Ireland. I would urge that no aid be approved unless it is provided in full compliance with the human rights provisions contained in the Foreign Assistance Act. I would also urge that language be included to require regular monitoring, through annual presidential certifications that economic aid is being distributed in compliance with the letter and spirit of our law.

I would also fervently hope that the provisions of U.S. economic aid might provide some leverage in our efforts to get the British government to make some long-overdue reforms in the criminal justice system in Northern Ireland. It is perhaps the most visible symbol of the oppressive nature of British direct rule over the six counties. The most urgently needed reforms are the abolition of the so-called "Diplock Courts" and an end to the so-called "Supergrass" system, which permits the uncorraborated testimony of paid informants to be used to convict individuals.

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On a related note, I strongly oppose efforts being made by Members in the other body to link passage of economic aid to Northern Ireland to ratification of the controversial Supplementary Extradition Treaty between the United States and the United Kingdom. While the economic aid proposal represents a potentially positive United States contribution to the future of Northern Ireland, the Supplementary Treaty is far from the opposite coin and should be rejected.

I salute, today, the distinguished Speaker of the House, for his tremendous work on behalf of this issue; he, as well as, the Majority Whip, Mr. Foley, and I agree on one basic point. The need for future U.S. economic assistance to Northern Ireland is not in issue. Northern Ireland has the highest unemployment rate in all of western Europe at 21.7 percent. This burden has fallen the hardest on the Catholic minority in the North. In the city of Derry, unemployment among Catholics is 70 percent. In Belfast, the rate is more than 50 percent. Some families are entering a second and third generation of unemployment, poverty, and despair.

I stress the fact that I have serious problems with any economic aid proposals advanced by Congress which allows the British government, whose policies are responsible for economic misery in Northern Ireland, to have any substantial degree of control over its distribution. As I understand the Administration-backed bill, it would provide $250 million in aid over five years to provide support to carry out the purposes of the Anglo-Irish Agreement. This agreement, and the aid, would be implemented and administered largely through the Intergovernmental Conference of the Anglo-Irish Intergovernmental Council.

This is my greatest concern. It is far too early in the process to invest that type of responsibility in an unproven entity. In an euphoria to embrace the Anglo-Irish Agreement, let us not be naive in our expectations. This Intergovernmental Council is in name only. Unless and until the British government declares its intention to make changes in the existing political status quo in Northern Ireland -- make no mistake about it -- they will control this Intergovernmental Conference or any agency established under it. They will also control U.S. economic aid. The Dublin government, at this point, "only has a say" in the Intergovernmental Conference structure; and there are no indications that role will, in any way, be enhanced through passage of an American aid package.

The United States has a moral responsibility to help determine the destiny of any first-time commitment of economic aid to Northern Ireland. This Subcommittee has an especially direct role in the outcome of aid legislation. I have spent most of my Congressional career being involved in the Irish question. I feel uniquely privileged to be here today involved in a component of the eventual solution. All I advocate for today, is that we do not engage in selective morality in our economic aid to Northern Ireland. Let us recognize the problems of discrimination that exist in Northern Ireland, as we did in South Africa, and allow economic aid to be a catalyst for its elimination.

I sincerely hope that the legislation we are discussing today, and which you report out of your Subcommittee, will be a model of the kind of U.S. assistance which will help bring about a lasting political solution in Northern Ireland -- a solution which I hope will be an Ireland which, like the United States of America, will be one nation, indivisible, with liberty and justice for all.

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Mr. LANTOS. Thank you very much, Congressman Biaggi. Let me first thank you for your most gracious comments.

Let me associate myself with your observations about the role that Congressman Gilman has played in this field for so many years with such great distinction.

IRELAND AS A HUMAN RIGHTS ISSUE

This issue at first blush appears to be a political or economic issue, but you are quite correct. It is the premier human rights issue of this session of the Congress. It is at heart a human rights issue.

You will be pleased to note that the congressional human rights caucus has scheduled a seminar to deal with this issue as a human rights issue.

I wonder if my colleague from New York has any questions.

Mr. GILMAN. Thank you, Mr. Chairman, and thank you for your kind words.

I want to particularly welcome Congressman Biaggi, who has been such a long-time advocate of Irish matters in the improvement of conditions in Ireland in his attempts to try to bring peace and justice to Ireland.

CONGRESSIONAL VISITS TO IRELAND

Congressman Biaggi, as we all know, has led the Congressional Committee for Irish Affairs that now has over 100 members, and it has been through his leadership that many of us have gone and visited Ireland. I was pleased to have joined Congressman Biaggi in a visit many years ago where we had an opportunity of talking with all factions in Ireland and had, as a result, a much better understanding of the problems there. I joined Congressman Lantos in a recent visit to Ireland where we had a further opportunity to meet with leaders in Dublin and had an opportunity to review the current conditions.

INCLUDING CONDITIONS ON PROPOSED LEGISLATION

I thank Congressman Biaggi for an excellent statement, a very pointed statement, which emphasizes some of the problems in the administration's legislation, which I hope the committee will address before we submit it to the floor.

I think conditions on aid that Congressman Biaggi is suggesting are particularly important, and I hope that we will take a look at putting some conditions in, to make certain that we have fair employment, to make certain the funds are not used to replace the United Kingdom's responsibilities in Northern Ireland to make certain that we do not use any of the funds for security purposes or intelligence but for improving the economy, to make certain that somehow we get the MacBride principles into this legislation. I think that that is extremely important.

ADMINISTRATION OF THE FUND

I would like to ask Congressman Biaggi about his concern about administering these funds. Many of us share that concern. As it

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stands now, apparently it would be the intergovernmental council that would be involved.

Do you have any specific suggestions, Congressman Biaggi, with regard to the administration of these funds?

Mr. BIAGGI. Well, I think I addressed that in my statement. The intergovernmental council will be controlled by a representative of the United Kingdom.

I would suggest that we deal with economic assistance in the same fashion that we have dealt with it in the earthquake areas where our own people, the United States, has controlled the funds in consultation with all the parties concerned, true, but we in the end should be there to monitor and control the disbursements of funds. It is the surest way to determine or to make certain that our money is going for economic assistance and nothing else. We are talking about taking the wrinkles out of the belly, because that is the cause of most of the unrest.

Classic illustration. We had a strike in Northern Ireland. It virtually tied up Northern Ireland. It proves one point very clearly. It is the Protestants that have the jobs. You are aware of the Short Co. issue we had where they discriminated against Catholics, and they obtained a contract from the U.S. Air Force. They were virtually abandoned. Very few employees responded, again only confirming what we said at the outset. Very few Irish Catholics were employed by them, and yet, notwithstanding that, they were able to get a contract with the United States Government, the United States Air Force.

It reinforces our point. There has been job discrimination. How can you live in an area where you have 60 percent unemployment, 50 percent unemployment, 30, 40? It proliferates in the Irish Catholic community. It is unconscionable, and unless we alleviate that condition, the unrest that has proliferated in that area historically will not abate.

Mr. GILMAN. Are you suggesting that the United States replace the intergovernmental council as distributor of the funds?

Mr. BIAGGI. Oh, absolutely.

Mr. GILMAN. Thank you. And again I want to thank you for emphasizing these conditions on aid, which I consider to be as important as you do. I hope that our committee will take a good hard look at the suggestions that have been made by Congressman Biaggi in his testimony before us, and I thank the gentleman.

Mr. LANTOS. I thank my colleague, and before turning to Congressman Feighan, let me just say he has been a leader on this issue and on so many other issues, and I know he feels deeply about this proposal.

Congressman Feighan.

WHO WILL ADMINISTER THE FUND

Mr. FEIGHAN. Thank you, Mr. Chairman.

Congressman Biaggi, you said in your statement that you were privileged to have had the opportunity to be a leader on this matter of the Irish question during your tenure in Congress. Let me say that those of us who serve with you in Congress are the ones who should say that we feel privileged to have had you, and those of us who served with you on the ad hoc committee are the

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ones who are privileged to have had your very passionate, very well-directed leadership on this issue.

It seems clear to me that the difficult issue that is going to come before the committee now is on the issue of conditions or what additional language we might want to attach to an economic assistance grant from the United States.

The fundamental concern that I have—and I do not know whether conditions make sense or not; it seems in just a half-hour this morning we have heard testimony from leaders on the issue who feel very strongly that we should not put any conditions in, and you would argue to the other side of that.

What seems to be fundamental in that is who is going to control the money?

The intergovernmental council, as I understand, is the body that would be responsible for control of any moneys—correct me if I am wrong, Mario—any moneys that would come to the International Fund for Rehabilitation and Reconstruction.

How is it that the Anglo-Irish accord would impanel a body for control of those funds that would be dominated either in reality or by virtue of its function by the British Government?

Mr. BIAGGI. Well, the fact of the matter is I have characterized the Anglo-Irish accord as a fragile first step, but it has not changed the status quo, and the intergovernmental council will be dominated—dominated and controlled by a representative of the United Kingdom, so we really have not changed the status quo.

So what I am concerned about is, by virtue of placing the money in the control of a British appendage—and for all intents and purposes that is what it is—might well perpetuate conditions that exist today.

CONDITIONS FOR U.S. ASSISTANCE

What condition would be offensive? Let me ask what conditions I have suggested would be offensive? Would it be offensive to say that our law, the Foreign Assistance Act, the conditions in our Foreign Assistance Act, which is basic to any grant in aid by the Congress or by our country, be attached to this? We are giving money.

All I have suggested is that we give money in compliance with our law, human rights concerns. That has been an issue time and time again on the floor, but it has always been complied with. It has always been complied with.

What problem do you have with the issue of not giving money to security forces? The moneys are being diverted. That is what you are doing. You are diverting money away from the basic purpose of this legislation, of these dollars: To help people help themselves, build, help them, train them, find employment, create industry, do something. We have done that here in America very effectively. We have done it in other countries by providing foreign assistance.

What objection could there be about nondiscrimination or fair employment practices? What objection could you have with fair employment practices? The fact of the matter is you do not have them now.

I know there has been some improvement when they say you have obtained a certificate, but no one has ever been turned down

when they applied for a certificate. The employer involved will say, "Oh, I have a certificate." It is so easy to get, it becomes meaningless.

The bottom line was manifested just yesterday when we had the strike in Northern Ireland. The Protestants struck. It shut down industry. That is the answer. I mean what more visible manifestation of the consequences could you find? That tells you. They have the jobs. I know the conditions that existed.

Let us start on a corrective path. I am not saying people should be fired. I am just saying, let us start on a corrective path.

I do not know how one could object to any one of these proposals. And to make certain that these proposals are adhered to, we should have some control of the money.

Mr. FEIGHAN. Thank you very much.

Mr. Chairman, if I could only indicate——

Mr. LANTOS. Please.

Mr. FEIGHAN [continuing]. I have a bill up before the Crime Subcommittee of the Judiciary, and I wanted to indicate to subsequent speakers that I will be returning, and I appreciate the opportunity to hear their testimony.

Thank you.

Mr. LANTOS. We look forward to having you back.

Thank you very much, Mr. Biaggi, again.

Mr. BIAGGI. Thank you very much, Mr. Chairman, for your kindness.

Mr. LANTOS. We would like to ask Secretary Ridgway to come forward.

It is my great pleasure to introduce the Honorable Rozanne L. Ridgway, Assistant Secretary of State in charge of the Bureau of European and Canadian Affairs in the Department of State.

You will be joined by the Honorable Charles Greenleaf, Assistant Administrator for AID.

Ms. Ridgway, in the short time you have occupied this most important position, you have gained the respect and the admiration of the Congress. We are looking forward to hearing your views on this important issue.

STATEMENT OF HON. ROZANNE L. RIDGWAY, ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND CANADIAN AFFAIRS, DEPARTMENT OF STATE

Ms. RIDGWAY. Thank you very much, Mr. Chairman. I appreciate those kind words and would simply say that in that short time, I think I have been associated with the subcommittee in some particular opportunities, and it has been, I think, a very real pleasure for me to have been able to work with the subcommittee in meeting those opportunities that have presented themselves. We have another one this morning.

Mr. LANTOS. Could you pull the microphone a little closer to you—both of them?

Thank you very much.

Ms. RIDGWAY. It is a pleasure to be here today to discuss the administration's proposal in support of the British and Irish Governments' agreement on Northern Ireland.

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Americans have long been deeply concerned about the tragic situation in Northern Ireland. In recent years, we have seen the people of that region suffering from a seemingly unbreakable chain of violence and economic deprivation, in great measure due to decades of mistrust, fear, and even outright hatred between members of the Nationalist and Unionist traditions.

Over the years some have said that the United States should have become directly involved in helping to end this cycle of despair. The Reagan administration has taken the same position as previous administrations, that it is not for the United States to chart a course for the people of Northern Ireland. This U.S. Government position has not reflected any lack of concern about Northern Ireland, but rather our belief that those most directly involved should decide questions which would affect the future of the people in Northern Ireland, not the United States.

Several years ago, the British and Irish Governments courageously embarked upon a difficult but vitally important process aimed at reducing some of the bitter divisions in Northern Ireland so that the aspiration of both traditions for a future free from violence and economic and political despair could be realized. Over several years, the British and Irish Governments have held discussions about Northern Ireland. We were not involved in any of these discussions, but as time went by, we were increasingly pleased to hear that these two friends of the United States were making significant progress in reaching an accommodation of views and concerns which could fairly represent the best interests of all the people in Northern Ireland.

The British and Irish Governments' Agreement of November 15, 1985, is truly a credit to the courage and determination of both governments to overcome heavy and negative legacies of history in that region.

While the road ahead to genuine, longlasting peace in Northern Ireland remains fragile and difficult, this agreement deserves full recognition and support as a meaningful step toward strengthening shared interests of all in Northern Ireland for a better future there.

President Reagan and the congressional leadership hailed the agreement as providing a "framework for peace," and "an important step toward reconciliation." They also indicated their consensus for the idea of providing tangible U.S. assistance to demonstrate the seriousness of our sentiments and concrete support for improvement of social and economic conditions which have fed the violence.

As their principal new vehicle to provide for economic reconstruction of Northern Ireland and affected areas of the Republic of Ireland, the British and Irish propose to establish an international fund to which the United States and other countries might contribute. We understand that others, such as the European Community and individual European Community countries, as well as countries with significant cultural and historical ties to Ireland and the United Kingdom, may join this effort.

In recent discussions, British and Irish officials have noted that the principal objective of the proposed fund would be to stimulate economic revitalization in order to promote employment and there-

by attack an important cause of the historic instability in Northern Ireland. The two governments have agreed that approximately 75 percent of the fund would be directed to Northern Ireland, while the remainder would be applied to those areas of the Republic of Ireland most affected by the troubles.

In devising our proposed tangible contribution to reconciliation in Northern Ireland, we have given a high priority to a cash contribution to the new international fund to give clear, tangible support to this new joint undertaking of the two governments. We hope that this U.S. commitment will inspire other friends of Ireland and the United Kingdom to make similar contributions to the fund.

At the same time, the administration considered that an approach which would combine a direct U.S. Government contribution to the fund with other existing U.S. Government-financed mechanisms could have the most immediate and effective overall impact on the Northern Ireland economy.

Just as the process of reconciliation, of healing the social wounds caused by years of distrust and lack of communication, cannot be healed by the stroke of a pen, so, too, the economic stagnation of the Northern Ireland economy cannot be remedied by quick infusions of cash alone.

Northern Ireland's need for economic revitalization and long-term economic stability requires that a process be set in motion to elicit and to stimulate activity and commitment by the private sector.

Existing U.S. Government-financed mechanisms can contribute to meeting this need through investment, trade promotion, and guaranty programs oriented toward the private sector.

Therefore this kind of contribution comprises over half of the proposed U.S. program. Some of these mechanisms would take several months to become operational; others would be operational immediately following conclusion of the legislative process.

These investment, trade, and guaranty programs provide inherently prompt and independent stimulus to the Northern Ireland economy. They are also not necessarily dependent on activities or contributions of others, as is our proposed cash contribution to the fund, whose final size and diversity will ultimately affect its effectiveness.

My colleague, Mr. Greenleaf, will be discussing the specific objectives and characteristics of these programs in a few minutes.

I would like to note, in concluding, a concern which faces us all: you as elected Members of Congress, ourselves as administration officials, and all of us as taxpayers. As we debate how to best support this effort by the British and Irish Governments to promote reconciliation in Northern Ireland, our concern must be how to accomplish as much as we can for this part of the world, from which the forefathers of over 40 million Americans came, within the context of present severe U.S. budget stringencies. Our common responsibilities require that we maximize the results from each dollar spent. I think that the program the administration is proposing meets this objective by its emphasis on incentives, by its challenges to the private sector, and by the probable multiplication factor for the amounts of U.S. Government financing included.

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Our proposed program provides a very effective and comprehensive response to the needs of the people of Northern Ireland and affected areas of the Republic of Ireland and to the joint efforts of the British and Irish Governments to promote reconciliation in part through a more stable economic environment in the area.

Thank you, Mr. Chairman. I am prepared to answer questions now or perhaps after Mr. Greenleaf.

[The prepared statement of Ms. Ridgway follows:]

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PREPARED STATEMENT OF HON. ROZANNE L. RIDGEWAY, ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND CANADIAN AFFAIRS, DEPARTMENT OF STATE

Good morning, Mr. Chairman, Members of the Subcommittee, it is a pleasure to be here today to discuss the Administration's proposal in support of the British and Irish Governments' Agreement on Northern Ireland.

As you are well aware, Americans have long been deeply concerned about the tragic situation in Northern Ireland. In recent years we have seen the people of that region suffering from a seemingly unbreakable chain of violence and economic deprivation, in great measure due to decades of mistrust, fear and even outright hatred between members of the Nationalist and Unionist traditions.

Over the years some have said that the United States should have become directly involved in helping to end this cycle of despair. The Reagan Administration has taken the same position as previous Administrations, that it is not for the United States to chart a course for the people of Northern Ireland. This U.S. Government position has not reflected any lack of concern about Northern Ireland, but rather our belief that those most directly involved should decide questions which would affect the future of the people in Northern Ireland--not the United States.

Several years ago, the British and Irish Governments courageously embarked upon a difficult but vitally important

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The British and Irish Governments' Agreement of November 15, 1985 is truly a credit to the courage and determination of both Governments to overcome heavy and negative legacies of history in that region. While the road ahead to genuine, longlasting peace in Northern Ireland remains fragile and difficult, this Agreement deserves full recognition and support as a meaningful step toward strengthening shared interests of all in Northern Ireland for a better future there. President Reagan and the Congressional leadership hailed the Agreement as providing a "framework for peace" and "an important step toward reconciliation." They also indicated their consensus for the idea of providing tangible U.S. assistance to demonstrate the seriousness of our sentiments and concrete support for improvement of social and economic conditions which have fed the violence.

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As their principal new vehicle to provide for economic reconstruction of Northern Ireland and affected areas of the Republic of Ireland, the British and Irish propose to establish an International Fund to which the United States and other countries might contribute. We understand that others, such as the European Community and individual EC countries, as well as countries with significant cultural and historical ties to Ireland and the United Kingdom may join this effort. In recent discussions, British and Irish officials have noted that the principal objective of the proposed Fund would be to stimulate economic revitalization in order to promote employment and thereby attack an important cause of the historic instability in Northern Ireland. The two Governments have agreed that approximately 75 per cent of the Fund would be directed to Northern Ireland, while the remainder would be applied to those areas of the Republic of Ireland most affected by the troubles.

In devising our proposed tangible contribution to reconciliation in Northern Ireland, we have given a high priority to a cash contribution to the "International Fund" to give clear, tangible support to this new joint undertaking of the two Governments. We hope that this U.S. commitment will inspire other friends of Ireland and the United Kingdom to make similar contributions to the Fund.

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At the same time, the Administration considered that an approach which would combine a direct U.S. Government contribution to the Fund with other existing U.S. Government-financed mechanisms could have the most immediate and effective overall impact on the Northern Ireland economy. Just as the process of reconciliation, of healing the social wounds caused by years of distrust and lack of communication, cannot be healed by the stroke of a pen, so, too, the economic stagnation of the Northern Ireland economy cannot be remedied by quick infusions of cash alone. Northern Ireland's need for economic revitalization and long-term economic stability requires that a process be set in motion to elicit and to stimulate activity and commitment by the private sector. Existing U.S. Government-financed mechanisms can contribute to meeting this need through investment, trade promotion and guaranty programs oriented toward the private sector. Therefore these kind of contributions comprise over half of the proposed U.S. program. Some of these mechanisms would take several months to become operational, others would be operational immediately following conclusion of the legislative process. These investment, trade and guaranty programs provide inherently prompt and independent stimulus to the Northern Ireland economy. They are also not necessarily dependent on activities or contributions of others, as is our proposed cash contribution to the Fund, whose final size and diversity will ultimately affect its effectiveness.

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My colleague, Mr. Greenleaf, will be discussing the specific objectives and characteristics of these programs in a few minutes. I would like to note, in concluding, a concern which faces us all, you as elected Members of Congress, ourselves as Administration officials, and all of us as taxpayers. As we debate how to best support this effort by the British and Irish Governments to promote reconciliation in Northern Ireland, our concern must be how to accomplish as much as we can for this part of the world, from which the forefathers of over 40 million Americans came, within the context of present severe U.S. budget stringencies. Our common responsibilities require that we maximize the results from each dollar spent. I think that the program the Administration is proposing meets this objective by its emphasis on incentives, by its challenges to the private sector and by the probable multiplication factor for the amounts of U.S. Government financing included. Our proposed program provides a very effective and comprehensive response to the needs of the people of Northern Ireland and affected areas of the Republic of Ireland, and to the joint efforts of the British and Irish Governments to promote reconciliation in part through a more stable economic environment in the area.

Thank you Mr. Chairman. I am prepared to answer any questions you may have.

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Mr. LANTOS. Secretary Ridgway, I think we may have a few questions to ask of you now and then turn to Mr. Greenleaf, if that is all right with you.

Ms. RIDGWAY. Yes.

IRISH SUPPORT FOR THE ANGLO-IRISH ACCORD

Mr. LANTOS. The first question I would like to raise relates to the serious general strike that took place in Northern Ireland this week.

I think it is clear that this strike is an index that many people in Northern Ireland oppose this agreement.

In the view of the administration, how much support does the Anglo-Irish Agreement enjoy in Ireland and in Northern Ireland?

Ms. RIDGWAY. It is difficult to quantify that support, Mr. Chairman. I think I could say that among the Catholic Nationalists the accord enjoys more support than among Unionists. The reasons for opposing the agreement I think are obvious. There are those who see it as a first step to ending ties with the United Kingdom, and on the other side there are those who see it as doing nothing to improve the situation of Catholics in Northern Ireland. But altogether we see that, at least at the moment, there is enough support to provide a basis for the unfolding of the process that is in the accord. I can give you no numbers.

FUTURE STATUS OF NORTHERN IRELAND

Mr. LANTOS. Well, without giving me numbers, some critics, as you suggest, oppose the agreement because in their view it legitimizes British sovereignty over Northern Ireland, and other critics oppose the agreement because they say this is the first step toward the unification of Northern Ireland with the Republic of Ireland.

How valid are these two criticisms?

Ms. RIDGWAY. Those are the two criticisms at either end of the question that we hear. We recognize Northern Ireland as a part of the United Kingdom.

The future status of Northern Ireland as it is discussed in the accord is to be left to the will of the majority in Northern Ireland, and I think that, as the agreement says, when the majority want otherwise than what is the current situation, then there would be engaged steps to make those changes.

I think these are the kinds of arguments that reflect views we could never fully satisfy.

ACCOMPLISHMENTS OF THE AGREEMENT TO MAINTAIN SUPPORT

Mr. LANTOS. In your view, Madam Secretary, what accomplishments must the agreement show in its first year to maintain public support?

Ms. RIDGWAY. I believe the agreement is going to be most telling in the effect it has on mood, on confidence, on a sense that yet another step has been taken in a process to bring about the necessary reconciliation between the two traditions involved in the matter, and I think we will never know—perhaps those involved will never

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know—what specific accomplishments have made it possible for a public to say this is working, this is a good thing.

It will be a sense. It will be, I think, internalized in some degree in the area of confidence, psychology, atmosphere. To be sure, there will be meetings taking place, there will be groups of people gathering to put into effect the various pieces of the accord. One could look at those and say, "Yes, this will be important."

My own sense is that it is going to be in that very difficult area of public psychology. How do they feel about it? And if at the end of a year they are feeling good about it, each measuring it in their own way, then it will have had a successful first year.

IMPLEMENTATION OF THE ASSISTANCE PROGRAM

Mr. LANTOS. May I ask, Madam Secretary, is the disbursement, as seen by the administration, of U.S. assistance conditioned on the implementation of the Anglo-Irish Agreement? Is our assistance hostage to extremists on both sides who may seek to undermine the agreement?

Ms. RIDGWAY. Mr. Chairman, you may recall some weeks ago when I appeared before the subcommittee in another capacity and I was asked about what our thinking was in this area, I said on a personal basis that I should think it would have to be, but I took that question home from the subcommittee, and I thought about it. I do not have an official answer to that question, but my thinking today would put me in an entirely different direction, because what we are talking about is assistance for people, and we are talking, as your question suggests, about being able to provide that assistance to people without being hostage to those at either far end of the question who might not find their interests in the successful implementation of such a program.

So I think, while I cannot give you the specific language on how the assistance is going to be implemented, because we do not have it at the present time, our goal throughout this process is going to be to get the assistance to the people.

WHAT HAPPENS TO THE ASSISTANCE IF THE ANGLO-IRISH AGREEMENT COLLAPSES

Mr. LANTOS. Well, we are all hoping, certainly on this subcommittee, that the agreement will succeed, but let me for the moment hypothesize in the other direction.

What happens to our assistance program should the agreement collapse? Would the remaining funds be placed in an escrow account? Will there be any explicit provision to that effect in the legislation you plan to recommend?

Ms. RIDGWAY. We do not have the details on what would happen to the fund. I have described two kinds of assistance—perhaps Mr. Greenleaf in time would also like to return to this—but two kinds of assistance. There is a direct cash contribution to a fund yet to be established, yet to have the details worked out, and yet to have other countries join it, so that we know how much there would be involved and consequently what kind of programs it would have.

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The other feature of the program takes from existing U.S. assistance programs of a completely different nature, and they would not be affected by this kind of program.

There is, as you know, in the legislation which we have recommended no explicit provision touching on this issue.

CONTRIBUTIONS TO THE FUND FROM OTHER COUNTRIES

Mr. LANTOS. Madam Secretary, you mentioned other countries, so let me pursue that for 1 minute.

Do you see U.S. assistance as critical in getting other nations to participate?

Ms. RIDGWAY. I think each country is going to come to this question from the same desire to be supportive of this enormous accomplishment, and I doubt very much that for those countries it is going to be decisive. I think it will be important, and each of us wants as broad a participation as possible, and I know that conversations are going on which we are not party to with other countries, but I cannot imagine that either we or those other countries, having measured the importance to us individually of supporting this effort, would have our conclusions swayed or altered by others deciding for whatever reason not to go forward.

Mr. LANTOS. If I may pursue that for a moment, there have been reports that France, West Germany, and Canada have made some undefined promises concerning assistance. I realize you have not been party to those discussions, but you obviously are involved on a daily basis with those nations.

Have any of these governments mentioned any specific figures? What kind of ballpark figure are we talking about from West Germany, from Canada, from France, from any other nation; and also has the European Economic Community made any official offer of assistance, and, if so, what ballpark figures are we talking about there?

Ms. RIDGWAY. We know, as I suggested in my prepared remarks, that the European Community as the community and some members of the European Community as individual nations have been looking at this question, and we know, as I also said—and I have used a broad phrase because we do not have inside information on this—that others that have shared historical and cultural tradition have indicated at least an interest in this matter. I have nothing in detail as to which specific countries, how much, or in fact the nature of the kinds of programs that they are discussing.

Mr. LANTOS. But since our figure is at the annual proposed level of $50 million, what is your own view? Would our expectation be that the assistance from the others combined is an equal amount, twice that amount, half that amount? You must have some ballpark in mind.

Ms. RIDGWAY. I honestly do not, and we have not discussed it with these other countries to urge particular figures on them. With our own rather urgent—and some would say not well organized but I think it has been—rather urgent address to this question, we have not been in touch with others. We have just been getting our own house in order.

Mr. LANTOS. Congressman Gilman.

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Mr. GILMAN. Thank you, Mr. Chairman.

I want to welcome Secretary Ridgway before us and commend her for all of her good efforts in the recent months. I commend her Bureau for the work they have done in helping to improve human rights beyond the Iron Curtain. We hope that that is an indication the situation will continue to move in the right direction.

Speaking of human rights, I would hope that we could get some conditionality language into this measure.

Secretary Ridgway, the administration proposal is pretty broad. There is no specification of how the funding is going to be utilized. We have no specifics in the legislation. So should we not put in some general conditions, for example on fair employment and nondiscriminatory practices as Congressman Biaggi suggested?—perhaps the MacBride principles, to be referred to as a guideline for nondiscrimination to make certain that the funds will not be utilized in purposes other than economic development? Should we not make certain that our funds are not used for policing or intelligence or security activities just as we have done in other foreign aid measures in areas we have these kind of problems? Should we not have some language to requiring improvement for human rights in that area?

I would hope that you might comment on that kind of conditional language that a number of us are interested in inserting into this proposal.

Ms. RIDGWAY. I would be happy to comment on that, Mr. Congressman. I know of your interest in this field, and I have been aware also of some informal discussions that have taken place in this area, and I also know your very real activism in this field.

I would like to associate my remarks with those of the Speaker who, as I recall, made two points. He referred to the provisions that already exist within the body of legislation that is called upon to take the necessary authorizing steps for this program and suggested that we confine the conditions to those that are already there.

Our draft legislation, as it is described to me by those who have the legal background, does incorporate by reference all of the existing conditions that are in the body of assistance and development legislation.

Mr. GILMAN. If I might interrupt, Madam Secretary, what would you be referring to specifically that would respond to the concerns that I have just mentioned?

Ms. RIDGWAY. Well, I would go on to say that there are some perhaps on your list that you have just gone through now that are not there, and I believe again—I would like to associate myself with the Speaker—saying that I do not think that, beyond incorporating those provisions that already exist, that we bring concrete contributions to what we are trying to get at here by adding more conditions. I believe that what we are trying to get to I referred to earlier as psychology to mood, to atmosphere, to confidence, to building of trust, and to associating ourselves with work being done by others and supporting that work.

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I believe it is inconsistent with our desire to show our willingness to support, to encourage, to respond positively to the Governments of the Republic of Ireland and the United Kingdom to start loading on other conditions than those that are standard to our program, and I would like, because I am aware of your concern, Mr. Gilman, for example, to give you an example that relates to comments by earlier speakers.

There has been some talk, some series of questions, as to how things would be administered and who would or would not be in charge.

ADMINISTRATION OF THE FUND

I have just been passed a note that gives me a detail on the Fund. The Fund will be administered by a board of governors with three members each nominated independently by the two governments, that is, the Government of the United Kingdom and the Government of the Republic of Ireland.

So I think that apart from meeting the terms of our own laws that already exist in general reflecting broad principle, we ought not to add anything. Leave it to the two Governments.

U.S. VOICE IN ADMINISTRATION OF THE FUND

Mr. GILMAN. If I might interrupt, where is the American voice in that, Madam Secretary?

Ms. RIDGWAY. On the Fund?

Mr. GILMAN. Yes. The administration of the Fund.

Ms. RIDGWAY. It is not there.

Mr. GILMAN. There have been a number of my colleagues who have expressed concern that we should have some voice in the administration of that Fund, and more particularly to make certain that the fund's activities are being carried out with the objectives that we have requested.

Ms. RIDGWAY. We are speaking of the international Fund, to which we do not know how many governments will be contributing nor in what amounts.

I believe I noted in my remarks that even what the fund would describe as its particular areas of concern, development, economic revitalization, must await a more detailed appreciation of how many funds are going to be available and what kinds of funds they are, how many governments they represent.

It is not excluded that when all of that is put together that some change would be made in the board or that the United States would wish to have some more direct voice.

We have not taken an official position because so much remains still to be negotiated, worked out between the two Governments first before we ever look at it, so I would not want to exclude the possibility of what you were describing, but neither would I want to mislead you as to what that fund is. That fund would be a gathering of contributions, cash contributions, from any number of directions.

Mr. GILMAN. I would be pleased to yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

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I am pleased to hear that they will be independent, free from each sector, from Northern Ireland, from the United Kingdom, as well as the Republic. That alleviates my concern somewhat.

I also, as my colleague Mr. Gilman and some other of our colleagues, share some concern that an American voice should be in there some place. It does not have to be dominant, but it should be present, and hopefully that will work out.

RELATION OF FUND TO FOREIGN ASSISTANCE ACT

The last page of the bill, section 3[b], in the section-by-section analysis, section 3[b] permits "assistance authorized to carry out this act to be used notwithstanding any other provision of law."

What comes to my mind is that you are waiving the Foreign Assistance Act. Is that a correct conclusion?

Ms. RIDGWAY. I am sure the answer to that is no, and I have two experts on either side of me——

Mr. BIAGGI. Well, would ygu please tell me what that means?

Ms. RIDGWAY [continuing]. Perhaps Mr. Greenleaf from AID who is in fact still to testify.

STATEMENT OF HON. CHARLES W. GREENLEAF, ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. GREENLEAF. Congressman, referring to that section 3[b] comment in the analysis, there are a number of different programs involved in the proposal. The lawyers have told me that, in order to provide flexibility in the legislation for the various programs which we have not really begun to discuss this morning in detail, language such as this would be necessary. I do not think this particular provision would affect the discussion of the various criteria about which you are asking Secretary Ridgway. It is in fact because we have proposed four or five different assistance vehicles that we proposed language to provide the necessary flexibility.

Mr. BIAGGI. I understand your explanation. That may be the intent, but if somewhere along the line one chooses to apply this language, you are in a position, if this is enacted, to waive all existing laws, Foreign Assistance Act included. It may not be your intent. I am sure you have to agree that my conclusion is a logical one.

Mr. GREENLEAF. Well, as I said, for the purposes of flexibility, and——

Mr. BIAGGI. I understand that.

Mr. GREENLEAF [continuing]. I am sure we would be glad to discuss this further with the committee and counsel.

Mr. BIAGGI. I think it is worthy of discussion, because it does open the barn door.

Thank you.

SPECIFIC CONDITIONS ON FUNDS

Mr. GILMAN. Madam Secretary, I recognize what you are saying, that there are some provisions scattered through the Foreign Aid law. I am not too certain how this waiver will apply to all of that, and it gives us some concern. I hope you will straighten that out—

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but assume for the moment that that provision is worked out. Is there any objection to some general language to make certain that the funds would be used for fair employment practicies, to improve human rights, and that they not be diverted for police activities?

Ms. RIDGWAY. I know that a number of proposals have been around which vary from the general to the very detailed. Certainly, Mr. Gilman, we have not given a formal administration position on your question, and there may be formulations of this of a general nature that would get to the concerns that you have without paying the prices that I think none of us want to pay, which is to change the atmosphere from one of hope and anticipation and sort of an invitation to the private sector and other governments to join us in turn in joining these two governments in an effort to truly make progress and get to the question of economic revitalization, and when you are talking economic revitalization and you are talking investment decisions and you are talking whether companies, let us say the American private companies, feel encouraged to go in, feel that they can go in and make a contribution and yet not be all tied up in knots, then you are dealing with something that I think one has to be careful to keep with within certain limits.

Mr. GILMAN. Well, we were not so cautious when we dealt with economic assistance to El Salvador, or assistance to Argentina in the past, or some of the other countries where we had some concerns on human rights and improvement of some of their general principles to impose those conditions in the legislation.

I am a little bit concerned about why we are so reluctant to impose some sound general principles in this kind of legislation.

Ms. RIDGWAY. The difficulty that I have in understanding where some of these concerns are coming from relates to the fact that there does exist a body of law prohibiting discrimination with guarantees. There already exist laws imposing substantially the same fair employment obligations on United States firms operating in Northern Ireland as United States firms are subject to in the United States itself.

Mr. GILMAN. Well, then if they are in the law, why would we be reluctant to repeat it in this proposal just to underscore our objectives and our aims. It would seem to me that it would do no harm to reiterate those proposals if they are already in the existing law. That certainly should obviate any of the objections to reiterating them and underscoring them once again.

Ms. RIDGWAY. Mr. Gilman, I said that we would be happy to look at general language which, in my view, I would hope could be found——

Mr. GILMAN. I hope so.

Ms. RIDGWAY [continuing]. That would very carefully walk some several objectives which get mixed up in this question.

Mr. GILMAN. I would hope so. We have submitted some of these. I was rather surprised to see this coming in as a barebones proposal after working for the past week on some of these proposals and not seeing any of them included in the administration bill, which I just received an hour ago. It is certainly not the best way to legislate, to come into a subcommittee hearing and have the administration bill just about a minute or two before we start testimony on the measure.

But I would hope that whoever is looking at the administration draft language would take another look at the amendments that we are suggesting from our committee, from the committee members, and the chairman, who will also be suggesting some proposals, and that we incorporate some of this language so that hopefully we would engender strong support throughout the Congress.

There is a body of the Congress that is very much concerned about having these kind of principles included in this measure, and I hope we are not closing our eyes to that fact.

Ms. RIDGWAY. We certainly are not unaware of that, Mr. Congressman, but I would say simply as the last that I can say, since there is not an official administration position on some of the proposals that have come forward, that I would associate my own view of this with the remarks made by the Speaker and those of Mr. Foley earlier today.

Mr. GILMAN. Thank you, Madam Secretary.

FINANCING OF THE PROPOSAL

Mr. HAMILTON. Madam Secretary, I want to understand the financing of this proposal. You are requesting a supplemental appropriation of $20 million for fiscal year 1986. That is to be offset by the OMB elsewhere in the budget. Now what is going to be offset?

Ms. RIDGWAY. Mr. Chairman, I am accompanied this morning by Mr. Greenleaf of AID, an Assistant Administrator at AID, who is the expert on this, and I would like, if I might, to turn the microphone to him for this series of questions.

Mr. HAMILTON. Mr. Greenleaf, we welcome you. I understand you have not given your statement. We will include your statement in the record in full, and then you can help us out here on some of these financial questions.

Mr. GREENLEAF. That would be fine.

[The prepared statement of Mr. Greenleaf follows:]

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PREPARED STATEMENT OF CHARLES W. GREENLEAF, ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. Chairman and Members of the Subcommittee:

I welcome the opportunity to meet with you today to discuss proposed U.S. economic assistance for Northern Ireland and the Republic of Ireland. Ambassador Ridgway has addressed the overall political and economic conditions which necessitate such assistance. I would like to review our proposed assistance package which we see as totalling $250 million between now and FY 1991, focussing on our plans for Fiscal Years 1986 and 1987.

As you know, the British and Irish Governments have jointly proposed to establish an International Fund designed to improve the quality of life of disadvantaged people in Northern Ireland and the northern portion of the Irish Republic most affected by economic deprivation. We have had several meetings with the British and Irish to discuss possible ways in which we might be of assistance in furthering these economic goals.

For FY 1986 we are requesting a supplemental appropriation of $20 million. This supplemental has been offset by OMB elsewhere in the FY 1986 budget. The $20 million, if approved

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by Congress, will provide a portion of our assistance this year, going directly as our contribution to the proposed International Fund mentioned earlier. We are also planning a $20 million contribution for FY 1987 to be offset elsewhere in the FY 1987 ESF budget. The balance of our assistance in each of these two years will come from a combination of existing U.S. Government investment, trade promotion, and guarantee mechanisms.

As to the Fund itself, the British and Irish Governments have asked us and other countries, EC and Commonwealth nations, to contribute to this new vehicle for challenging the chronic unemployment and deprivation in the poorer areas of Northern Ireland and bordering areas of the Irish Republic. The Fund will stimulate private investment and enterprise and encourage voluntary effort. It will stress beneficial cross-border activities and programs involving and aimed at the needs of young people, particularly job creation. We have had some preliminary discussion with the British and Irish Governments, pending Congressional action.

We are meeting later this week with a British-Irish technical team to review their current plans for Fund policy formulation, management, project criteria, the number and role of donor countries, etc. While it is premature to discuss specific projects, we will be looking illustratively at British and

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Irish interest in the Fund assisting such sectors as tourism, energy resources, and diversification of agriculture, forestry and fishing.

I would like to turn now to the important subject of housing. Although the Northern Ireland Housing office has done much in recent years to improve the stock of housing available in Northern Ireland, many areas of Belfast and other cities still suffer from acute social deprivation and cramped, inadequate housing. This, along with massive unemployment, is a key grievance affecting all lower-income urban residents, but especially the Catholic minority, which, as a group experiences disproportionate economic deprivation.

To address this problem, as well as the larger economic revitalization of the region, A.I.D. is prepared to authorize up to $20 million in FY 1986 for housing guarantees, as part of our total assistance package. A.I.D. plans to guarantee loans to local borrowers who want to improve housing. These loans will be long-term commercial U.S. loans at favorable market rates, plus a small guarantee fee, for up to thirty years, with a ten-year grace period on repayment of principal. U.S. lenders in such programs would include investment and commercial bankers, Federal Home Loan Banks, savings institutions, life insurance companies, and pension funds.

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Housing guarantees in North Ireland and Ireland can:

-- provide housing affordable by poor people;

-- mobilize additional local resources by stimulating local housing finance institutions;

-- finance, in low-income residential neighborhoods, needed public utilities, community services and facilities, and home improvement and expansion;

-- facilitate the preparation of now vacant land for building sites and provide needed utilities and services;

-- provide needed employment in the housing industry; and

-- very importantly, inject substantial financial resources into the economy, at favorable terms.

We also will be discussing the housing guarantee program in some detail this week with British and Irish officials. As soon as requested by those two governments, we are prepared to send to North Ireland and Ireland an expert team of housing specialists who can make a brief on-the-ground survey of the region's shelter and related services needs. Thereafter, a

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housing guarantee program could be in place, and guarantees authorized in five to six months. We see this as a very useful parallel activity to our proposed ESF contribution to the Fund, one which may well get into operation before the Fund itself comes into being.

In addition to housing guarantees, the other programs we are proposing support increased investment and production, and are focused on employment and income generation objectives. AID's Private Sector Revolving Loan Fund has been used for some innovative lending in Southeast Asia and the Caribbean, and is useful in mobilizing both foreign exchange and local currency. Typically, it lends one to two million dollars per country for small and medium scale private businesses. Several years ago, for instance, we lent a Thai company several million dollars to establish what is quickly becoming a successful slaughterhouse and meat export facility. Usually the Fund loans to an intermediate financial institution, which in turn loans local currency to a small business. Interest rates and terms are favorable--they can be as low as one percent above Treasury bill rates, over a five-to seven-year maturity.

The Trade and Development Program--which finances feasibility studies of major projects, such as power stations--is another possible U.S. instrument for helping to bring investment to

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Northern Ireland and Ireland, and creating additional markets there for U.S. goods and services. TDP will be on our agenda for discussion this week with officials from the United Kingdom and Ireland.

The Overseas Private Investment Corporation and the Export-Import Bank are two more possible sources of guarantees and insurance for U.S. investments and exports to the people of Northern Ireland and Ireland. OPIC provides a variety of political risk coverages, investment feasibility studies, and investment missions. The ExIm Bank, as you know, promotes U.S. exports by providing financial support through a variety of export finance programs. We believe that the American investors and exporters will be showing increased interest in investing in Northern Ireland and Ireland as a result of the great strides taken by the British and Irish Governments in the last few months to bring increased stability and revitalization to that area. OPIC and ExIm Bank stand ready to assist in this effort.

In short, our proposed ESF contribution and our housing guarantee program account for $40 million of our planned assistance package for this year. We are confident that at least an additional $10 million in financial resources can be provided this year from the four sources I have just reviewed. We believe that OPIC, ExIm, the Trade and Development Program

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and our Private Sector Revolving Loan Fund will together have no difficulty providing $30 million in resources for the following fiscal year.

Mr. Chairman and members of the Subcommitte, we are confident that our forthcoming meetings with the British and Irish delegations will quickly produce the technical information we need to begin actual implementation of this assistance program. We believe this is a good, practical assistance package for this year, and that it contains elements necessary to respond to the revitalization needs of this part of the world in the next few years. We look forward to working with you on getting this assistance moving soon. I welcome your questions.

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NATURE OF BUDGETARY OFFSET

Mr. HAMILTON. Where is the offset?

Mr. GREENLEAF. Well, we also have with us a gentleman from our Office of the Under Secretary for Security Assistance, Mr. Bauerlein, at the table. Basically, as I understand the situation, Mr. Chairman, we have not specifically identified the offset. There is simply a net amount available, and from within that amount, we are able to provide $20 million.

Mr. HAMILTON. You have an IOU from OMB that they are going to offset somewhere, is that it?

Mr. GREENLEAF. Mr. Bauerlein, I think, can go into somewhat more detail on that, but I do not know the answer to the question.

Mr. HAMILTON. You also have an offset on your fiscal year 1987 $20 million, too.

Mr. GREENLEAF. Well, not exactly. We have not made the decision on that one yet.

STATEMENT OF ROBERT BAUERLEIN, SPECIAL ASSISTANT TO THE UNDER SECRETARY FOR SECURITY ASSISTANCE, SCIENCE, AND TECHNOLOGY, DEPARTMENT OF STATE

Mr. BAUERLEIN. Mr. Chairman, as far as fiscal year 1986 goes, the way that is being proposed is in the President's budget that was submitted to the Congress in early February there were both rescission proposals and supplemental appropriation proposals.

The net difference between the outlays is $53 million. In other words, there are $53 million more outlays associated with the rescission proposals than the supplemental request proposals, so as this worked its way through the Office of Management and Budget in the White House, $20 million of that $53 million was used to accommodate the 1986 supplemental.

As far as fiscal year 1987 is concerned, this proposal comes forward as——

Mr. HAMILTON. So the $53 million comes down to $33 million.

Mr. BAUERLEIN. The $53 million would be reduced to $33 million by that, and there may be other claims on that within the Government I do not know of.

In 1987, we are proposing a $20 million contribution that will have to be offset somewhere in our current fiscal year 1987 request. Final decisions have not been made on that. As soon as they are, we will get amendments to our congressional presentation documents to the Congress.

Mr. HAMILTON. But OMB has assured you that they will have an offset for you, is that right?

Mr. BAUERLEIN. Oh, yes, sir. In 1987 they did not offer up. We are offering up.

Mr. HAMILTON. OK. Now for 1986 you got a supplemental appropriation of $20 million. That is offset. Where is the other $30 million coming from?

Mr. GREENLEAF. The other parts, Mr. Chairman, include up to $20 million from AID's Housing Guaranty Program, $10 million from a combination of resources of the AID Private Enterprise Revolving Fund, the Trade and Development Program, the Overseas Private Investment Corporation as well as the Export-Import Bank.

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BUDGET OUTLAY FIGURE

Mr. HAMILTON. What is the outlay figure for us for this $50 million? How much of a budget outlay will there be for the $50 million?

Mr. BAUERLEIN. The $20 million, assuming that we pay it into the fund, will be 100 percent. It will be $20 million.

The outlays associated with the other portions of the program will depend on the type and nature of projects and programs that are developed.

Those outlays, I should say, Mr. Chairman, are currently contained within the budget. Each of those programs is currently funded, and this would be a concentration of their efforts in Northern Ireland and Ireland.

Mr. HAMILTON. So the total assistance will come to $50 million, but that $50 million is going to be made up of $20 million of actual cash. The other $30 million is going to be a combination of investment, trade promotion, guaranty mechanisms, is that right?

Mr. GREENLEAF. Exactly.

Mr. HAMILTON. And not all of those will be in outlay, and not all of those would be presumably $30 million in outlay. If it is a guaranty mechanism, there may not be any outlay, is that correct?

Mr. BAUERLEIN. I am not precisely sure how the outlays flow on the guaranty mechanisms. I work from the basic assumption that if there is budget authority, there has got to be outlays somewhere at some time. But the——

Mr. HAMILTON. Look, I have got to present this thing to the committee tomorrow, and I have got to have as accurate information as I can on the budgetary impact of your request. Your request is different from what the speaker was asking for and frankly different from what I had understood the Secretary and the President to be asking for up to this point. In other words, I thought we were dealing with a straight $50 million outlay figure, but that is not the case here.

Mr. BAUERLEIN. I guess one way to describe it, Mr. Chairman, is that the only new outlays that would be over and above those currently in the President's budget would be the $20 million in fiscal year 1986.

Mr. HAMILTON. Yes.

Mr. GREENLEAF. But there would be other outlays from existing programs already authorized, depending on the exact programs to be utilized.

Mr. HAMILTON. I want to get from you by the end of the day if possible as accurate a statement in writing as you can give me about the budgetary impact of your request so that I can respond to questions tomorrow about it.

I know that you are under the gun here. I know that this was just resolved late yesterday, and these are not easy questions. I am aware of all that, but I want you to understand my situation as well.

[The information follows:]

First, let me emphasize that the only "new" outlays associated with the proposal will be from the $20 million in ESF in FY 1986. These outlays can be accommodated without an additional offset since the President's Budget proposes $53 million more

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in outlays associated with recision proposals than are associated with supplemental requests.

All other outlays associated with the proposal, including from the FY 1987 ESF contribution, are already included in the budget estimates contained in the President's FY 1987 budget proposal. Assuming as we do that the International Fund will get into operation in FY 1986 and that we make an upfront contribution to it each year, we would make the cash disbursement immediately following obligation and therefore show a $20 million outlay for each fiscal year. It is possible however that as a result of our negotiations with the British and Irish Governments, we might be involved in some other contribution mode, e.g., tranched disbursements, which would be reflected in smaller outlay figures.

In the case of Housing guarantees, OPIC, and EXIM, these are loan guarantee or insurance programs in which budget authority and/or outlays occur only when defaults or claims occur. In the case of A.I.D.'s Private Sector Revolving Loan Fund, and the Trade and Development Program, we are thinking of a possible outlay, already included in our FY 1987 budget requests for those programs, of several million dollars.

Having made this point, the following table reflects the outlay pattern of the package as we currently estimate it.

[In millions of dollars]

	1986		1987	
	Budget authority	Outlay	Budget authority	Outlay
ESF	[1]$20	[1]$20	$20	$20
PRE/TDP	2-3		2-3	1-2
Housing guarantees				
OPIC				
EXIM				
Total	22-3	20	22-3	21-2

[1] Additional outlay not anticipated in the fiscal year 1986 budget

SOURCE OF MONEY

Mr. HAMILTON. Now where did the $50 million per year come from anyway? How was that derived? Is there some basis for that, or who gave us $50 million? I have been hearing about it for a long time, but I just do not know where it came from.

Ms. RIDGWAY. Mr. Chairman, you just took my line.

Mr. HAMILTON. You have been hearing about it, too. [Laughter.]

Well, anyway, you have got the $50 million. Was that figure just handed to you from on high?

Ms. RIDGWAY. We just all started dealing with it in this town at about the same time.

CHANGES IN MIX OF AID PROGRAM

Mr. HAMILTON. OK. Now would you be in opposition to any congressional efforts to change this mix somewhat? We are going to get some amendments tomorrow to do so.

Ms. RIDGWAY. Mr. Chairman, the money has to come from somewhere. We have struggled and struggled and tried to find a balance in a way that protects all of the other priorities and programs that have been agreed to.

I have learned to my chagrin over the past weeks there really is no such things these days as new money, and it would have to come from somewhere.

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This set of figures, this internal balancing, represents very tough decisions. We would hate to revisit them.

COMMITMENT ON AID LEVEL

Mr. HAMILTON. Now have we made a commitment to the two governments that we are going to try to provide $50 million?

Ms. RIDGWAY. No, we have not.

Mr. HAMILTON. We have not done that at this point.

Ms. RIDGWAY. No, we have not. No.

ANNUAL LEVELS OF AID

Mr. HAMILTON. Are we going to have a similar breakdown now for each of the 5 years, is that your intent? Is it going to be roughly the same mix?

Ms. RIDGWAY. No; we do not intend that for the outyears.

Mr. HAMILTON. OK.

Ms. RIDGWAY. For 1986 and 1987 only, and beyond that no one is able to look.

Mr. HAMILTON. Is there a commitment of some kind to provide $50 million for 5 years?

Ms. RIDGWAY. There is in the bill——

LENGTH OF BILL

Mr. HAMILTON. Is your bill a 5-year bill? I have not seen it.

Ms. RIDGWAY. It is a bill which speaks in terms of a finding, in terms of goals, of $250 million over 5 years, but it is not in a 5-year authorization bill.

Mr. HAMILTON. The bill is only for 1986 and 1987.

Ms. RIDGWAY. That is correct.

Mr. HAMILTON. But you state the objective of——

Ms. RIDGWAY. Yes.

Mr. HAMILTON [continuing]. A $50 million program each year, is that right?

Ms. RIDGWAY. That is correct.

Mr. HAMILTON. I have not had the opportunity to read your bill yet.

SHARE OF MONEY GOING TO THE AID FUND

Now the British and the Irish have proposed the establishment of an international fund for Ireland. Is it our intent to put all of this money, the whole $50 million each year, into that fund?

Ms. RIDGWAY. It is the cash part only.

Mr. HAMILTON. Only the cash part.

Ms. RIDGWAY. Yes.

Mr. HAMILTON. And is the establishment of that fund a precondition for the disbursement of any U.S. funds?

Ms. RIDGWAY. It is in terms of the bill now before us, and again I am talking about cash.

Mr. HAMILTON. I understand.

Ms. RIDGWAY. Not for the remainder of the program.

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ADMINISTRATION OF OTHER PROGRAMS

Mr. HAMILTON. The other programs that you have, the guaranties and the investment and trade promotion, are they going to be administered by us?

Mr. GREENLEAF. Mr. Chairman, the other parts of the program would be administered from Washington by us, but we would be working with various institutions in Northern Ireland and Ireland such as in the housing area, and I would also add that I think it is an important point that some of these other mechanisms, other than the cash, could be put into operation before the fund is set up. There need to be negotiations to establish the fund, as Assistant Secretary Ridgway has discussed. The housing guaranties; for example, would not be established and managed through the fund but would be managed through local housing institutions. These guarantees could be set up probably within the next——

MANAGEMENT OF THE FUND

Mr. HAMILTON. Who is going to manage this fund?

Mr. GREENLEAF. That decision will result from negotiations and discussions that we are having. As a matter of fact, a delegation from Northern Ireland and the United Kingdom and Ireland is coming to Washington later this week to meet with us on such subjects as that. We are in the process of discussing that.

Mr. HAMILTON. Will we have anybody on the board managing that fund, or will the board soley be British and Irish officials?

Ms. RIDGWAY. We have not gone beyond in terms of future organization. Our thinking, going beyond what we have been informed, are the plans at present. That is, that the fund would be administered by a board of governors with three members each nominated independently by the two governments.

Earlier today, Mr. Chairman, Congressman Gilman, I believe, raised the question on whether or not there would be some U.S. role, and I said I would have to take the question, and I am sure it is something that Mr. Greenleaf and others will be discussing with the governments when their representatives arrive.

[The information follows:]

The appropriate role of the United States and other donor countries to the proposed International Fund remains to be negotiated. Representatives of the State Department, A.I.D. and other relevant agencies will be meeting March 6 with British and Irish Government officials to continue exploring a number of important issues including this one.

Normally, in a multidonor, U.S. funds would be merged with other country contributions and lose their separate identity. We would thus want to be involved in inital deliberations on policy formulation, overall operational plans, and development of criteria for projects to be financed by the Fund.

In the case of the proposed Fund for Northern Ireland and Irish Republic revitalization, we recognize that there are a number of congressional concerns about end-uses of funds. Although we believe it clearly inappropriate for the United States to try to involve itself in day-to-day operations of the Fund, we believe it might be useful to have an administration official function in some advisory capacity to the British-Irish Board of Directors.

This would enable us to have a continuing input into the policies and objectives of the International Fund and would give us the opportunity to review periodically the progress of projects approved by the Board of Directors. We intend to discuss this proposal in our meetings with the British and Irish.

U.S. COORDINATION OF THE FUND

Mr. HAMILTON. OK. Now anything we do I presume would be consistent with the objectives of the Fund and be supported by all participants in the Fund, is that right? I mean we are not going to be going down one track and the Fund going down another track. There is going to have to be some coordination, right?

Mr. GREENLEAF. That is the purpose of our ongoing discussions, which will continue tomorrow.

Mr. HAMILTON. Who is going to coordinate all this?

Mr. GREENLEAF. We are working together. The State Department and AID are really working on this very closely, and I think, when we really get into the actual programmatic management of the various funding, that AID will take the primary responsibility, but clearly in terms of setting up the mechanisms and dealing with the diplomatic aspects, obviously that is the State Department's responsibility.

Mr. HAMILTON. OK. I still have a number of other questions, but I want to turn to my colleagues.

Mr. Gilman?

U.S. ROLE IN ADMINISTERING FUND

Mr. GILMAN. Mr. Greenleaf, again it is pretty general at this point, and saying that details will be worked out between State and AID does not give us any direct voice out there on that council.

Mr. GREENLEAF. It is correct, as the Assistant Secretary has said, that that issue has not been decided yet. I cannot say anything further on that now.

Mr. GILMAN. Can you not give us some assurance as we draft this measure that we are going to have American involvement in the disposition of the funding?

Mr. GREENLEAF. All I can really say, Congressman, at this point is that the discussions are going on. We will express our preferences, but the decision as to the exact U.S. Role in the Fund management or policy mechanism, really has not been resolved yet, and I think that is a matter that we need to discuss further.

Mr. GILMAN. Well, I hope you would, because a number of us would like to see some specific American voice in the disposition of the funding. I hope that before you give a final approval to a measure that we can submit to the House in the next day or two, you will give us some language that we can work with, with an American voice that will be responsible for the disposition of the funding.

CONDITIONS ON U.S. ASSISTANCE

I had asked Secretary Ridgway about the general language on human rights, on fair employment, and on the nonutilization of the funding for security or police measures. Do you have any objection to having that kind of general language incorporated?

Mr. GREENLEAF. I really do not have any comment on that, Congressman. The Assistant Secretary's comment should stand for the administration.

Mr. GILMAN. And you are going to take another look at this waiver of the provisions of law which give us some concern?

Mr. GREENLEAF. Yes, indeed.

Mr. GILMAN. I think that you really ought to take a hard look at that. That seems to me to waive all of the other provisions that the Secretary is talking about that are scattered throughout the law that could be useful in this measure.

Mr. GREENLEAF. I think, as I said, that we certainly will consult with the committee and with its counsel on that.

RESPONSIBILITY FOR AUDITING

Mr. GILMAN. With regard to accountability, who would do the auditing? Would the United States have the power to audit directly the use of its funds, or will it have to rely on audit reports by the Intergovernmental Council?

Mr. GREENLEAF. That again is precisely the kind of question that we are now discussing with our counterparts from the United Kingdom, Northern Ireland, and Ireland. .

Mr. GILMAN. But if these questions are asked on the floor, how do we respond to them? That we will just write a blank check and pray?

TIMING OF CONGRESSIONAL ACTIONS

Mr. GREENLEAF. No, sir. That is certainly not the answer that I think we can give at this time. I think it is simply that we are discussing this. This is a matter that is on the table, and since the whole process of setting up the fund is in still undecided we simply——

Mr. GILMAN. Well, are we moving too quickly then? Are we too far ahead of the administration on this measure?

Mr. GREENLEAF. I think——

Mr. GILMAN. Are you advocating some additional time?

Mr. GREENLEAF. I am not advocating that. All I am saying is that we are having these discussions, and we really must hear from our colleagues in Ireland and Northern Ireland.

Mr. GILMAN. When do you think we can have that response? The chairman wants to get this measure before the House, I think, before the Easter recess. Are we going to be able to respond to our colleagues? inquiries if it gets to the floor within that period of time?

Mr. GREENLEAF. We will certainly do our best. The Secretary may have some further thoughts on that. She is involved in this as well.

Mr. GILMAN. Madam Secretary.

Ms. RIDGWAY. I would leave it where Mr. Greenleaf has. We are discussing these things with the Republic of Ireland, the United Kingdom, and Northern Ireland experts, and we would have to talk with them as well on such things.

Mr. GILMAN. Well, I would hope we could respond to any inquiries on the House floor when that measure would come before the floor with regard to auditing, with regard to American influence and that sort of thing.

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ASSURANCES AGAINST DISCRIMINATION

What steps do you intend to take to ensure that there is no discrimination if we were to rely on the existing statutes and not put in some general principle language? What steps could we undertake to make certain that there is no discrimination?

Mr. GREENLEAF. Your question suggests what would we do if there were no amendments?

Mr. GILMAN. If there is no conditionality in this measure on fair employment or discrimination, the Secretary said there is sufficient reference in the existing laws. How do we go about making certain that no discriminatory practices are supported by this Fund? Apparently it is something The Government there has not been able to do very well up till now.

Mr. GREENLEAF. I do not. have a specific answer to that any different than the Secretary.

Mr. GILMAN. That is one of our problems.

Ms. RIDGWAY. Mr. Congressman, if I might on this, I have listened to your concerns on this, and it was addressed as well to earlier speakers, and I think something has not been put in the record in this discussion that needs to be, and that is that all of these mechanisms that flow from the accord reflect a balance. I would expect that the Governments that are on the Fund, the Republic of Ireland, the Government of the United Kingdom, working together, have in their mutual interest the proper functioning of this accord, and I would expect those two Governments, which have equal voices in this, to be the ones responsible for assuring exactly the kind of thing that you are talking about.

Mr. GILMAN. I would hope that that is the end result, but let us assume that it were not the result. There are discriminatory practices, as there have been for far too long a period of time. Where then do we go to assure nondiscrimination with regard to the utilization of these funds?

Ms. RIDGWAY. I think then you are dealing in a political setting of a far larger and more complex and disappointing kind in which that would be the least of our concerns.

Mr. GILMAN. Then we have no avenue then, is that what you are saying?

Ms. RIDGWAY. Well, that is what I would be concerned about. That puts us back to where we are right now, back to the first step that we've taken a long time ago in trying to encourage nondiscrimination. We have not been very successful, and I would hope that with regard to this where we have an opportunity and some leverage in the handle that we could try to make that an effective handle in moving in that direction, something that apparently both the United Kingdom and the Irish Government would like to see accomplished, so I cannot understand why there would be any objection to attaching some condition of that nature in this measure.

SIGNIFICANCE OF INCLUDING CONDITIONS IN THE LEGISLATION

Ms. RIDGWAY. Well, there is a difference though, in all candor, Mr. Congressman, between stating the general principles and objectives such as you described in some of your earlier questions, and, as the Speaker said earlier, loading it up with conditions which put

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a set of operational requirements that are additional to those that are already there, and that are imposed on two governments which have themselves undertaken to achieve this very objective that you are talking about, so that it becomes dysfunctional.

Mr. GILMAN. I take some exception to saying we are loading it up with these things. I think these are basic objectives that we are all seeking to accomplish. The United Kingdom and the Government of Ireland in the Anglo-Irish Agreement have said that they would like to see some of these things accomplished, and I do not think that it is loading it up. I think it is setting forth some basic principles that we are all very much concerned about. If we are going to spend $250 million, I think we are entitled to know that these principles are going to be pursued.

Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Lantos.

SUPPORT OF THE PRESIDENT

Mr. LANTOS. I just have one question, Mr. Chairman, if I may, because specifically we have not asked it, and I think it is important to put it on the record.

Earlier we had the Speaker of the House put his prestige behind a proposal to provide $50 million this year and $250 million over 5 years into this project. Now I realize you testify on behalf of the administration, Secretary Ridgway. Do we have your assurance that this package of $50 million this year and $250 million over 5 years has the full personal support and commitment of the President of the United States?

Ms. RIDGWAY. The answer to that is yes.

Mr. LANTOS. Thank you very much, Mr. Chairman.

CREATION OF JOBS

Mr. HAMILTON. How does this package create jobs?

Mr. GREENLEAF. Well, I think, Mr. Chairman, a number of comments there. First of all, in terms of the cash portion that would go into the fund, that we hope will—although the fund's priorities are not established yet—we certainly hope that in the areas of tourism, agriculture, energy that new businesses, new types of other activities that may be of a public as well as a private nature will be established both in Northern Ireland as well as in the Republic.

Second, in terms of the housing guaranty program, the development not only of building new houses but upgrading houses that already exist obviously has an impact on the housing industry.

IMPORTANCE OF HOUSING

Mr. HAMILTON. Let me ask you this. Is it your judgment that housing is one of the most critical needs, which would be why it is in the package, or are you putting it in the package because you have some housing guaranties already available.

Mr. GREENLEAF. The former. I have been told that the problem of substandard housing for low-income people on both sides of the border is a major problem, and that in fact is a major reason why we did put that into the package.

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PROBLEM OF UNEMPLOYMENT

Mr. HAMILTON. Is it correct that one of the principal purposes of this aid is to create jobs?

Mr. GREENLEAF. Absolutely.

Mr. HAMILTON. That is a critical need, isn't it?

Mr. GREENLEAF. Absolutely so.

Mr. HAMILTON. Unemployment in Ireland was 17 percent in 1985. That is the official figure. And many people think it is substantially higher than that.

Mr. GREENLEAF. And in many of the areas involved that we are talking about here, as was cited by the speaker I believe earlier, the unemployment rate is significantly higher than the general level for both countries as a whole.

AID TARGETS IN IRELAND

Mr. HAMILTON. Will there be different types of targets for the assistance to Ireland as compared to Northern Ireland? Do you have different targets in mind?

Mr. GREENLEAF. We think not, although that would basically be decided by the fund, which is a joint venture.

Mr. HAMILTON. Is unemployment as serious a problem in Ireland as it is in the north?

Ms. RIDGWAY. The figures are somewhat different, but the answer to that has to be yes, it is a serious problem in both places.

ADMINISTRATION POSITION ON MACBRIDE PRINCIPLES

Mr. HAMILTON. Are you familiar with the MacBride Principles?

Ms. RIDGWAY. Yes.

Mr. HAMILTON. What is the administration's position on the MacBride Principles?

Ms. RIDGWAY. We support the spirit of the MacBride Principles, Mr. Chairman. We have known of them for some time, but we do not believe with respect to the problems at hand that the MacBride Principles offer solutions.

As I was saying earlier in——

Mr. HAMILTON. What do you mean you support the spirit of them? Does that mean you do not support something about them?

Ms. RIDGWAY. There has been a recent effort to make them a, if you will, law, to make them conditions, to set them out as linkages, and we do not support that or the campaign which tries to promote them into something more than a statement of principles regarding nondiscrimination and fair employment practices.

Mr. HAMILTON. Do you have any quarrel with any of the specific principles?

Ms. RIDGWAY. I think when they are generally described, that is, not specifically applied to certain businesses, people situations, they are all good things.

Mr. HAMILTON. If they are good generally, why are they not good specifically?

Ms. RIDGWAY. Because when you start legislating this kind of thing in a setting in which it is not the absence of legal principle

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that is the problem, but history, mistrust, social conflict between communities, then I think you only complicate the matter.

We are trying to encourage economic revitalization, we are trying to——

Mr. HAMILTON. You do not want to write these things into law.

Ms. RIDGWAY. Exactly.

Mr. HAMILTON. But the principles themselves as stated are acceptable. That your position?

Ms. RIDGWAY. We accept the spirit. If someone asks do we want us to sign on, we would get out our editor's pencils probably.

Mr. HAMILTON. I am informed that our consul general in Northern Ireland has come out against these principles. Is that correct? If so, why?

Ms. RIDGWAY. I would have to see the context, because I certainly can share with you, also, a statement written by the Department of State on this which in the context of should these things become standard, should they be applied, should they be conditional and all of the rest, we would also say we do not favor that. I do not know the context of the consul general's statement.

[The information follows:]

Yes. Discrimination is prohibited by law in the United Kingdom, and the 1986 Fair Employment Act specifically guarantees equal employment opportunity protection in Northern Ireland. These laws impose substantially the same fair employment obligations on U.S. firms operating in Northern Ireland as U.S. firms are subject to in the United States itself. Furthermore, we understand that legal experts who have studied these Principles have concluded that certain of the Principles would put business operations in contravention of law in Northern Ireland by promoting reverse discrimination.

Control of the Fund (to which a U.S. cash contribution is proposed) will be vested in an independent Board of Directors, equally balanced in composition by nominees of the United Kingdom and the Republic of Ireland. We believe that this structure will guarantee that concerns about fair employment opportunities in activities related to the Fund will be met in a satisfactory manner.

Elements of our program, other than the cash contribution to the Fund, will be subject to U.S. Government control on an on-going basis. We will thereful be able to ensure more directly their consistency with principles and goals agreed to by the British and Irish Governments in their Agreement of November 15, 1985, including fair employment opportunity goals.

The Administration's assistance program is designed to provide seed money to the Fund as well as to stimulate economic revitalization of Northern Ireland and affected areas of the Republic by providing challenges and incentives to the private sector on a track parallel to but independent of the Fund. Imposition of the MacBride Principles, some of which are of questionable legality and others of certain redundancy if looked at with the objective of improving fair employment opportunities in Northern Ireland, can only detract from our objective to help the people of Northern Ireland.

IRISH GOVERNMENT POSITION ON MACBRIDE PRINCIPLES

Mr. HAMILTON. What is the position of the Irish Government on these principles?

Ms. RIDGWAY. As far as I know it, and I am always reluctant to describe other governments' positions, I believe they too would speak of their spirit.

IMPACT OF MACBRIDE PRINCIPLES ON U.S. COMPANIES

Mr. HAMILTON. If the principles were required of U.S. companies operating in Northern Ireland, what would be the impact?

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Ms. RIDGWAY. I think it would place a very telling obstacle in the path of exactly what we are trying to accomplish.

Mr. HAMILTON. Would it lead to disinvestment?

Ms. RIDGWAY. It could well.

And I would point out in behalf of the American firms in Northern Ireland, Mr. Chairman, of which there are at present, I believe, 19, that they have an excellent record as employers and they are seen to be excellent employers in the area. There is a body of fair employment law in Northern Ireland. There are standards, and there are mechanisms, and even these are being strengthened by the new situation, and our employers are good employers.

RESTRICTIONS ON USE OF FUNDS

Mr. HAMILTON. Do you object to a statement that no funds will be used for military security or intelligence purposes?

Ms. RIDGWAY. For an official answer on that, I would have to take the question—I am advised that that is already written into the law governing foreign assistance, and this questioning of straightening out the language we have used to make sure that we do not erase previous conditions should handle that question.

Mr. HAMILTON. Would you give me a definite answer on that question by the end of the day here?

Ms. RIDGWAY. Yes, sir.

[The information follows:]

No, we would not object to an explicit requirement that no funds be used for military, security, or intelligence purposes.

We do not believe in any event that the Administration bill would have allowed such uses since the purposes of the bill were specifically defined as being for economic and development purposes; any other uses would have the clearly been outside the scope of the bill as drafted.

REPRESENTATION ON BOARD

Mr. HAMILTON. I want to go back to this international fund for Ireland. Can you assure us that the board will be broadly representative of the people of Ireland?

Ms. RIDGWAY. I am confident that it will be.

Mr. HAMILTON. What is the basis of your confidence?

Ms. RIDGWAY. Well, I cannot imagine that—and it is presumptuous of me to speak to the minds of other governments—but I cannot imagine that the Government of the Republic of Ireland and the Government of the United Kingdom, having set out on a course of action to deal with the very important matter of diminishing divisions and bringing some hope, would then turn right around and take steps which destroy confidence rather than build confidence.

USE OF FUNDS IN IRELAND AND NORTHERN IRELAND

Mr. HAMILTON. Can you assure us that U.S. funds will address the needs of both communities in Northern Ireland?

Ms. RIDGWAY. I am confident that they will, yes.

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AUTHORITY OVER U.S. ASSISTANCE

Mr. HAMILTON. And will the administrators or board have final authority over the destination of U.S. assistance, or will the recipients of U.S. aid be set only after agreement with the United States?

Ms. RIDGWAY. I cannot answer that, because this is in the area of the detail that is being worked out and the negotiations that Mr. Greenleaf referred to.

Mr. HAMILTON. Well, that is a considerably important detail as to who has final authority over the disbursement of these funds.

Ms. RIDGWAY. Talking of the cash funds in——

Mr. HAMILTON. I am really talking about the whole package deal. I mean are we going to call the final shot, or is the board for the fund going to call the final shot? That is what it comes down to.

Ms. RIDGWAY. Mr. Chairman, I would not risk a perilous surmising if it were not for what you described as the real sense of urgency of the calendar here.

Let me say that in my experience on international banks where governments make contributions and funds join and mix with funds from other countries, it becomes very difficult, unless you are willing to spend as much money on auditors as you have contributed to the fund, to track every last dollar. You look for policy mechanisms which set objectives that are agreed to by all of the participants, and then decisions are made on projects and programs which are consistent with that policy, but it is very difficult, at least in my experience, to devise a system in which you can track what you would call every U.S. dollar in through a process and out. If you have programs which in fact—let me take an example—are loan programs——

Mr. HAMILTON. Now, wait a minute. You are going down a different track here.

Ms. RIDGWAY. OK.

Mr. HAMILTON. The question that I think I am asking is a very important question, and that concerns who has the final authority on the disbursement of these funds? Is it the board members of the fund, or is it the United States?

Ms. RIDGWAY. I do not know the answer to that.

Mr. HAMILTON. Now I need that answer obviously by the end of the day, too. That is an important question it seems to me.

There are other questions that are connected with it.

Ms. RIDGWAY. Mr. Chairman, I have been handed the answer. It will be the board members.

Mr. HAMILTON. OK. The board members of the international fund for Ireland then will have final authority over the——

Ms. RIDGWAY. Disbursements.

Mr. HAMILTON [continuing]. Disbursement of U.S. assistance.

Ms. RIDGWAY. Of fund assistance. I mean——

RESTRAINTS ON U.S. ASSISTANCE

Mr. HAMILTON. Now there are restraints on that obviously. I mean they cannot spend the housing guaranties for food.

Mr. GREENLEAF. That is right.

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Ms. RIDGWAY. But they do not have—the fund does not have those features of the program. I am talking only of direct cash.

Mr. HAMILTON. You are talking about the cash. OK. I appreciate that.

The other items then would be controlled by the United States.

Mr. GREENLEAF. But I think it is important to add, Mr. Chairman, that in terms of our physically disbursing our money that we would not disburse that money unless we as a Government were convinced that the principles and priorities of the fund, the management of the fund, were similar to our interests.

Mr. HAMILTON. But the funds would flow from the U.S. Government to the fund——

Mr. GREENLEAF. Yes, sir.

Mr. HAMILTON [continuinig]. The fund would disburse the money.

Mr. GREENLEAF. That is right, but we obviously would have to grant it to them first.

ISSUE OF BRITISH OR IRISH VETO

Mr. HAMILTON. Will the British and the Irish Government have a veto on any of the uses of the money in the fund?

Ms. RIDGWAY. It is a fund activity. It is not a government decision.

Mr. HAMILTON. So they would not have a veto.

Ms. RIDGWAY. It would be with the fund.

ROLE OF NORTHERN IRELAND COMMUNITIES

Mr. HAMILTON. Will the communities in Northern Ireland have any voice in how the funds are spent?

Ms. RIDGWAY. I am going to have to guess again to say that the fund and its staff in devising projects will be working with communities, but again the voting, the policy, the kinds of internal things to the fund that the staff of the fund does would be done by the fund body of people.

LOCATION OF ADMINISTERING BOARD

Mr. HAMILTON. Where will this commission sit?

Ms. RIDGWAY. It does not yet have a seat.

Mr. HAMILTON. But would it be London or Dublin or Belfast or——

Ms. RIDGWAY. I have no idea.

OPERATIONAL DATE FOR THE FUND

Mr. HAMILTON. And when will that fund be in place, do we know?

Ms. RIDGWAY. I do not know, because the two governments are working on the organizational details. They and others are working with us on what our contribution, the administrative structure of our contribution, and then they are working with all of the other countries in the community on what they might contribute, so I——

Mr. HAMILTON. Give me a guess. Will they be in place in a month or 6 months or what?

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Ms. RIDGWAY. I am going to say a few months.

Mr. HAMILTON. OK.

Ms. RIDGWAY. At somewhere between whatever you said.

Mr. GREENLEAF. But may I repeat, Mr. Chairman, a comment I made earlier. Because of our answer to that question, which is obviously one for which we cannot predict a precise answer. We feel that the other elements of the package, the noncash elements, are extremely important. They can be dispensed without reference to when this fund is set up, and if there were some considerable delay in establishing the fund, the housing guaranties could go forward within the next 4 or 5 months.

Mr. HAMILTON. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

PRESIDENTIAL REPORTING REQUIREMENT

Madam Secretary, would you object to a requirement that the President or the Secretary of State should report each year the degree to which the U.S. contributions to the fund are meeting the goals of the Anglo-Irish Agreement?

Ms. RIDGWAY. I do not understand that requirement. If it is a statement that what we set out to do is what is being done, certainly we would make that in the course of coming up here to seek these annual authorizations and appropriations.

If it is intended as an annual measure of what has been done with whatever, it is a very difficult thing to get to, and I do not know——

Mr. GILMAN. Well, let us confine the inquiry to the basic question of whether it is contributing to reconciliation and the degree to which it has increased respect for human rights and fundamental freedoms in Ireland. Can we not ask our State Department or our executive branch to certify that these funds have improved the climate before we authorize a further expenditure? Would that not be appropriate in this kind of a measure?

Ms. RIDGWAY. It can be done, but I think it is redundant since the Congress, with or without the certification, is going to review that question for itself each time we come up here in any case before——

Mr. GILMAN. If you know there is going to be a review, then there should not be any harm in your submitting a report to us whether in the Department's mind or the executive branch's mind these objectives have been met.

Ms. RIDGWAY. I will take it. We have your request from yesterday for official comment. I still do not have a formal administration position on this.

There are features of your proposal, for example on reports on the human rights situation, which we think are already covered in the annual State Department human rights reports. There are those things already in place. The certification question that you ask a special single statement every year, I will have to take the question, Mr. Congressman.

Mr. GILMAN. There is nothing in the law that says you have to tell us how we are reconciling the problems in Ireland. There is nothing that says that we have to say if we are helping improve

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fair employment practices. There is nothing in the law that says that you should determine that none of these funds are being used to displace the United Kingdom's responsibility in Ireland.

I would hope that we could get some sort of a report as to whether or not the fund meets some of our basic concerns before we would have to go on to a further appropriation, and that is why I have suggested that we have either a Presidential or a State Department report of that nature.

Ms. RIDGWAY. A report or a certification?

Mr. GILMAN. Certification.

Ms. RIDGWAY. I will have to take the question, Mr. Congressman. We have had it before since your request of yesterday.

Mr. GILMAN. Thank you. And I would hope we could have it before we get to the markup stage.

[The information follows:]

The administration would not object to a general statement of principle about such goals in these areas but does not believe such a reporting or certification requirement is necessary or desirable.

Our proposal envisions a five-year program. Administration officials therefore would in any case be discussing developments in Northern Ireland with the Congress on a regular basis in connection with requests for authorizing legislative action.

The administration already submits annually Human Rights Reports which address these basic concerns.

Moreover, fostering a constructive atmosphere is important in this matter, and we do not think it useful to encumber the current process of reconciliation by imposing requirements for detailed public, qualitative judgments from the U.S. Government about voluntary cooperative actions of an entity set up by the British and Irish Governments. This would detract from the objectives of furthering a positive atmosphere in which we can work for a better future for the people of Northern Ireland.

ROLE OF IRISH GOVERNMENT

Mr. GILMAN. Is it not true, Madam Secretary, that the Irish Government really does not have an actual voice, a vote, on the Anglo-Irish Intergovernmental Conference, that theirs is sort of a consultative role?

Ms. RIDGWAY. Mr. Congressman, you catch me without the text of the——

Mr. GILMAN. Can some of your assistants clarify that for us?

Ms. RIDGWAY. Yes.

That is correct.

Mr. GILMAN. They are just a consultative role.

Ms. RIDGWAY. Yes.

ROLE OF UNITED KINGDOM IN INTERGOVERNMENTAL CONFERENCE

Mr. GILMAN. So that actually then there is not a true voice. It is the United Kingdom then, is it not, that is going to be governing this council?

Ms. RIDGWAY. Well, you are talking about the council of course, not the fund.

Mr. GILMAN. The intergovernmental council. Intergovernmental conference I guess it is called.

Ms. RIDGWAY. The conference. And your question was is—your question was it was just the United Kingdom?

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Mr. GILMAN. Who has the major voice? Apparently it is the United Kingdom if the Irish Government is only going to be in a consultative——

Ms. RIDGWAY. In the conference that is correct.

Mr. GILMAN. Well, then, really, Mr. Chairman——

Ms. RIDGWAY. But not the fund. We are not talking about the fund.

RELATIONSHIP OF CONFERENCE TO THE FUND

Mr. GILMAN. Oh. But the fund is going to be administered by the conference, is it not?

Ms. RIDGWAY. No, it is not. The fund is going to be administered by a board of governors with independently nominated people, three each independently nominated by the two governments, so it is quite different.

ROLE OF IRISH GOVERNMENT IN FUND AND CONFERENCE

Mr. GILMAN. And you are saying to us that the Irish Government will have more of a voice in the fund than they will in the conference.

Ms. RIDGWAY. A different voice. It has three members, it would nominate three people on to the fund, sit with three people nominated by the United Kingdom.

Mr. GILMAN. And they will not be nominated by the conference but——

Ms. RIDGWAY. No. By the two governments.

Mr. GILMAN. Independently of the conference.

Ms. RIDGWAY. My understanding, yes.

Mr. GILMAN. So there will be an equal voice.

Ms. RIDGWAY. That is the way it is described to me. A board of governors——

Mr. GILMAN. Is that correct?

Ms. RIDGWAY. This is Mr. Wenick.

Mr. GILMAN. Would you come to the mike and identify yourself, please?

Ms. RIDGWAY. Let me introduce Mr. Martin Wenick, who is the Director for Northern European Affairs in the Bureau of European and Canadian Affairs.

Mr. GILMAN. Mr. Wenick.

STATEMENT OF MARTIN A. WENICK, DIRECTOR, OFFICE OF NORTHERN EUROPEAN AFFAIRS, BUREAU OF EUROPEAN AND CANADIAN AFFAIRS, DEPARTMENT OF STATE

Mr. WENICK. I might just add that the two governments in approaching us in our initial talks have indicated that membership on the board would be subject to discussion and would be open if it were considered appropriate to other members, to outside government representatives.

Mr. GILMAN. Now what are you saying by that?

Mr. WENICK. That the two governments, as they envision the fund and a board of governors for the fund, seeing that there will be contributions, they are soliciting contributions from the United States and seeking them from others, would make the board mem-

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bership available to others if that were deemed appropriate and in the interest of the others.

U.S. REPRESENTATION ON FUND

Mr. GILMAN. Well, then why can we not spell out that we would like to have the American representative on that fund?

Ms. RIDGWAY. Simply because we have not yet taken a position on how we wish to give expression to our participation in this, Mr. Congressman.

Mr. GILMAN. No matter how we want to participate, can we not suggest at this point that it is appropriate that since we are providing the dollars that there be an American representative in the fund? Is that inappropriate? Is there some objection to doing that?

Ms. RIDGWAY. There is not a view in either direction on this. We are waiting to see who other donors would be, levels of contribution, and things of that sort. We are not excluding any of it.

Mr. GILMAN. Even if, Madam Secretary, there are other donors, why would that affect an American representative being on that fund?

Ms. RIDGWAY. It would not if that is how we wanted to give expression to our role in this. I am trying not to exclude either possibility.

Mr. GILMAN. Well, I would hope that we would give serious thought to putting American representation there. Support for that has been indicated from a number of sources already, and I think there would be a strong support for that here in the Congress.

UNITED STATES TRADE PROGRAM AND TRADE WITH IRELAND

There has been some mention here about sources of funding from the United States, apparently AID's Trade and Development Program [the TDP Program], the Export-Import Bank. We use both of those programs to encourage purchase of U.S. exports, but we already enjoy a favorable balance of trade with Ireland. Would not this form of assistance only work to widen the balance more in our favor rather than in favor of Ireland? What has Ireland to gain by purchasing more U.S. exports?

Mr. GREENLEAF. I think it could be said that in the short term, some of the exports needed to set up new industries or in other programs. Congressman, Northern Ireland and Ireland would not necessarily benefit I think in the longer term, however, building up the private enterprise capacity of these areas, which is now lacking, is obviously going to be to their advantage in terms of future trade.

Mr. GILMAN. Well, should it not be better to take steps to improve the exports by Ireland to the United States?

Mr. GREENLEAF. Well, I think in the longer run that will be the case. I think these particular mechanisms, are certainly going to help in the longer run improve their export capacity.

Mr. GILMAN. Well, what steps could we take to improve their export capacity to the United States?

Mr. GREENLEAF. I think, for example, as I mentioned earlier, the cash portion, depending on how the fund decides to distribute that, could be used in some way with austerity development of private

enterprises of one kind or another. Agricultural diversification for example. They really lack diversification in their agriculture, and in my understanding, this is one of the areas they want to emphasize in the development of the fund. There are a number of other development areas that we can help with or that the fund could do to do directly. That would be, I think, one example.

Mr. GILMAN. But no specific plans.

Mr. GREENLEAF. Well, the fund has not been established yet. That is an idea that we certainly are bringing to the table in our ongoing technical discussions, but it is going to be up to the fund to decide how it would spend the money that would come in from all the donors. That would be a direct example, in answer to your question.

Mr. GILMAN. Thank you.

Thank you, Mr. Chairman.

Mr. HAMILTON. Well, thank you very much for your testimony. We may be submitting some questions to you.[1] As to the specific requests that I made during the hearings for information this afternoon, I would hope you would be able to comply with them because of our time situation.

Ms. RIDGWAY. We want to work very closely with you, Mr. Chairman.

Mr. GREENLEAF. Thank you.

Mr. HAMILTON. Thank you for your testimony.

The subcommittee stands adjourned.

[Whereupon, at 11:54 a.m., the subcommittee was adjourned.]

[1] See app. 1.

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FOREIGN ASSISTANCE FOR NORTHERN IRELAND AND THE REPUBLIC OF IRELAND

THURSDAY, MARCH 6, 1986

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met in open markup session at 11:11 a.m., in room 2172, Rayburn House Office Building, Hon. Dante B. Fascell (chairman) presiding.

Chairman FASCELL. I want to start out by asking your cooperation. We have a heavy agenda. I want as little staff movement as possible, please.

I want you to be able to talk to your Members, but I still hear more talking out there than is possible to tolerate if we are going to take up this heavy agenda this morning.

Thank you.

We meet today to consider several bills. The first order of business before the committee is legislation to provide for contributions to the International Fund, which was established to support the Anglo-Irish agreement in promoting reconciliation in Northern Ireland and the establishment of a society in Northern Ireland where all may live in peace, free from discrimination, terrorism and intolerance, and with the opportunity for both communities to participate in the structures and processes of government.

This bill was recently reported out by the Europe and Middle East Subcommittee. The Chief of Staff will report the bill.

Mr. BRADY [reading]:

H.R. 4329, a bill to authorize U.S. contributions to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1—

Chairman FASCELL. Without objection, further reading of the bill will be dispensed, printed in the record in full, and open for amendment at any point. I will ask the chairman of the subcommittee, Mr. Hamilton, to explain the bill.

[The full text of H.R. 4329 follows:]

60-986 O - 86 - 4

FUND01

HLC

99TH CONGRESS
2ND SESSION

H. R. ____

IN THE HOUSE OF REPRESENTATIVES

Mr. FASCELL (for himself,) introduced the following bill; which was referred to the Committee on

A BILL

To authorize United States contributions to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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SECTION 1. SHORT TITLE.

This Act may be cited as the ``Peace, Stability, and Reconciliation in Ireland and Northern Ireland Act of 1986''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.--The Congress--

(1) finds that the agreement signed by the United Kingdom and Ireland on November 15, 1985, is a clear demonstration of British and Irish determination to make progress concerning the complex situation in Northern Ireland;

(2) reaffirms the support for the Anglo-Irish Agreement which it expressed through the adoption of House Concurrent Resolution 239 in December 1985;

(3) is particularly encouraged that these two neighbors, longstanding friends of the United States, have joined together to promote the economic and social development of those areas in Ireland and Northern Ireland which have suffered most severely from the consequences of violence in recent years; and

(4) believes that, in recognition of our ties of kinship, history, and commitment to democratic values, the United States should participate in this renewed commitment to social and economic progress in Northern Ireland and affected areas of the Ireland.

(b) PURPOSES.--It is, therefore, the purpose of this Act

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to provide for United States contributions in support of the Anglo-Irish Agreement, such contributions to consist of not less than $250,000,000 in economic support fund assistance for payment to the International Fund established pursuant to the Anglo-Irish Agreement, as well as other assistance to serve as an incentive for economic development and reconciliation in Ireland and Northern Ireland. The purpose of these United States contributions shall be to support the Anglo-Irish Agreement in promoting reconciliation in Northern Ireland and the establishment of a society in Northern Ireland in which all may live in peace, free from discrimination, terrorism, and intolerance, and with the opportunity for both communities to participate fully in the structures and processes of government.

SEC. 3. UNITED STATES CONTRIBUTIONS.

(a) ECONOMIC SUPPORT FUND ASSISTANCE.--Of the amounts authorized to be appropriated for each of the fiscal years 1986 through 1990 to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $50,000,000 shall be used for a United States contribution to the International Fund. For the fiscal years 1986 and 1987 funds previously authorized to be appropriated to carry out that chapter for those years shall be used for this contribution. To carry out this subsection, there are authorized to be appropriated to carry out that chapter (in addition to

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amounts otherwise authorized to be appropriated) $50,000,000 for each of the fiscal years 1988 through 1990, which amounts are authorized to remain available until expended.

(b) OTHER ASSISTANCE.--The following authorities may also be used for United States programs in Ireland and Northern Ireland in support of the Anglo-Irish Agreement:

(1) Section 108 of the Foreign Assistance Act of 1961 (relating to the Private Sector Revolving Fund).

(2) Title IV of chapter 2 of part I of that Act (relating to the Overseas Private Investment Corporation), without regard to paragraph (2) of the second undesignated paragraph of section 231 of that Act.

(3) Section 661 of that Act (relating to the Trade and Development Program).

SEC. 4. CONDITIONS AND UNDERSTANDINGS RELATING TO THE UNITED STATES CONTRIBUTIONS.

(a) PROMOTING ECONOMIC AND SOCIAL RECONSTRUCTION AND DEVELOPMENT.--The United States contributions provided for in this Act may be used only to support and promote economic and social reconstruction and redevelopment in Ireland and Northern Ireland. The restrictions contained in sections 531(e) and 660(a) of the Foreign Assistance Act of 1961 apply with respect to any such contributions.

(b) UNITED STATES REPRESENTATION ON THE BOARD OF THE FUND.--The President shall make every effort, in consultation

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with the Government of the United Kingdom and the Government of Ireland, to ensure that there is United States representation on the Board of the International Fund.

(c) PRIOR CERTIFICATIONS.--Each fiscal year, the United States may make contributions to the International Fund only if the President certifies to the Congress that he is satisfied that--

(1) the Board of the Fund, as a whole, is broadly representative of the interests of the communities in Ireland and Northern Ireland; and

(2) disbursements from the Fund--

(A) will be distributed in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation; and

(B) will address the needs of both communities in Northern Ireland.

Each such certification shall include a detailed explanation of the basis for the President's decision.

SEC. 5. ANNUAL REPORTS.

At the end of each fiscal year in which the United States Government makes contributions to the International Fund, the President shall report to the Congress on the degree to which--

(1) the Fund has contributed to reconciliation

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between the communities in Northern Ireland;

(2) the United States contribution to the Fund is meeting its objectives of encouraging new investment, job creation, and economic reconstruction on the basis of strict equality of opportunity; and

(3) the Fund has increased respect for the human rights and fundamental freedoms of all people in Northern Ireland.

SEC. 6. REQUIREMENTS RELATING TO FUNDS FOR ``INTERNATIONAL ORGANIZATIONS AND CONFERENCES''.

(a) DISBURSEMENTS, AUDITS, AND REPORTS.--The provisions relating to disbursement on vouchers, audits, and submission of reports with respect to expenditures pursuant to the Joint Resolution of July 11, 1956 (Public Law 689), shall also apply with respect to expenditures pursuant to section 109(c) of the Act of November 22, 1983 (Public Law 98-164).

(b) FUNDS SUBJECT TO REQUIREMENTS.--That section is amended--

(1) by striking out ``In addition to'' and inserting in lieu thereof ``Of'';

(2) by striking out ``by section 102(2)'' and all that follows through ``1985'' and inserting in lieu thereof ``for each fiscal year'';

(3) by inserting ``may be used'' before ``for expenses''; and

(4) by striking out all that follows ``participation in'' through ``such as''.

SEC. 7. DEFINITIONS.

As used in this Act--

(1) the term ``Anglo-Irish Agreement'' means the Agreement Between the Government of Ireland and the Government of the United Kingdom dated November 15, 1985; and

(2) the term ``International Fund'' means the international fund for economic development projects in Northern Ireland and Ireland, established pursuant to Article 10 of the Anglo-Irish Agreement.

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EXPLANATION OF THE LEGISLATION

Mr. HAMILTON. Thank you, Mr. Chairman.

I speak on behalf of the bill before the Committee on Foreign Affairs, to authorize $250 million in ESF funding over 5 years for economic assistance to Northern Ireland and to Ireland, pursuant to the Anglo-Irish Agreement, concluded November 15, 1985, and the establishment of an International Fund to administer a multilateral assistance effort for this important region.

The Subcommittee on Europe and the Middle East held a long hearing yesterday to examine the request, and heard testimony from the speaker, Congressman Foley, Congressman Biaggi, as well as from the Department of State and the Agency for International Development.

The subcommittee did not mark up legislation or take any formal action, but I do think that among the members present there was a consensus on the following points I will make:

First, the subcommittee supports the $250 million figure for 5 years starting in fiscal year 1986, and recommends that the committee take action on this request.

Second, it believes that extensive revisions in the executive branch request and draft legislation are warranted.

Third, it supports changing the requested mix of the overall $50 million annually to $50 million in ESF funding from the administration's request of $20 million in ESF funding, and $30 million in loan guaranty authorities under the Housing Guaranty Program, the OPIC Program, and the Trade and Development Program, all administered by AID.

Fourth, it supports language in any bill that the committee considers, which addresses some of the concerns of members which were voiced during the hearing, including:

(a) That U.S. aid promote economic development and employment in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation.

(b) That the U.S. aid will address the needs of both communities in Northern Ireland.

(c) That it is in the United States national interest to be involved with the International Board administering the assistance effort, to the maximum extent agreeable to the parties involved.

(d) That no assistance will be provided for military security or intelligence purposes.

Mr. Chairman, members have before them a bill which addresses the several points that I have made. Members should take a minute to look through the draft, especially its findings on page 2, its purposes on page 3, its conditions and understandings in section 4 starting on page 4, including prior certifications mentioned on page 5, and the annual reporting requirement in section 5.

There are three other quick points:

First, the intention of the subcommittee is to take the requested ESF funding out of existing authorization the committee has in Public Law 99-83, which the President signed into law last August. That bill contains excess authorization in the ESF account for

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fiscal year 1986 of some $250 million and perhaps higher excess authorization for fiscal year 1987.

Second, the budget outlays for the administration's request would be $20 million in fiscal year 1986, and approximately $20–22 million in fiscal year 1987. The outlays for the legislation before members would be $50 million in each year. These outlays could, in the 1986 fiscal year and 1987 fiscal year, come from a variety of programs on which several members have expressed concern, and in which it is expected that far less will be spent. For example, the ESF Program in Bolivia, the Latin American Regional Program, Zaire, Liberia, are four examples.

Third, our hearing revealed that there are a lot of questions which still exist about how the U.S. assistance will mesh with the International Fund to be created to choose projects and disburse assistance to programs mutually agreed to by the members of the International Fund in which both England and Ireland will participate.

I understand that this afternoon some of these questions about how the assistance will be administered will be discussed by the Anglo-Irish team meeting with executive branch officials.

Despite the question marks on how the International Fund will work and who will serve on the board, there is consensus among the leadership in the Congress that there are sufficient safeguards in this bill to warrant proceeding and giving our strong support to the Anglo-Irish agreement.

I urge my colleagues to support this economic assistance for Northern Ireland and Ireland.

At this point, I would like to defer to Congressman Gilman, the ranking minority member of the subcommittee, who has put in a lot of time on this question and considerable leadership for his comments.

Chairman FASCELL. Mr. Gilman.

SUPPORT FOR THE LEGISLATION

Mr. GILMAN. Thank you, Mr. Chairman, and I want to thank our subcommittee chairman, Mr. Hamilton, for his work on this legislation.

I am pleased to join both our chairman and the subcommittee chairman in presenting and supporting the Irish aid bill to the committee.

The problems in Northern Ireland have been vexing both the Irish and the American people for far too many years.

Since the late 1960's, we have become more acutely aware of the troubled situation of the minority Catholic community in the North. After many false starts, at least one hopeful sign has emerged recently as a first step toward a final, just and peaceful settlement of the problems of Northern Ireland.

The Anglo-Irish agreement of November 1985 has resulted in a role for the Republic of Ireland in the governance of the north to the end that the alienation of the minority community be alleviated by progress in improving the quality of their lives and by increasing their participation in the processes of government.

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Congress, having endorsed the Anglo-Irish agreement by a prior resolution now moves to back up its words with some concrete support.

While the administration was delayed in presenting its long-promised proposal, we do appreciate its effort. The administration proposal as submitted, however, was neither generous enough; nor does it address the legitimate concerns of many Americans that any aid we give be tied in some way to safeguards to assure that it be spent properly, with strict respect for quality of opportunity.

The chairman's bill, which has been discussed by our subcommittee chairman, Mr. Hamilton, does meet these needs. I am grateful for his cooperation in drawing it up so that it has the full endorsement of our subcommittee, and many other members are concerned about this measure.

As a result of our discussions in the past few days, we have included several important features: that the President seek to have American representation on the board that will be governing the disposition of the funds.

That there be a Presidential certification, that the Board be representative of the interests of all of the communities in Ireland.

That our money be spent with respect for equality of opportunity; and that the dollars address the needs of all of the communities in the North.

The measure further calls for a Presidential report on the degree to which the funding achieves the aim of reconciliation, and on the degree to which the dollars are spent on job development with equality of opportunity and with no religious discrimination, and the degree to which the dollars work toward increasing respect for human rights.

We further reiterate in the bill that no dollars be spent for police or security efforts.

I believe that this is a sound measure, and I urge my colleagues to support this legislation. It is carefully drawn; it provides for crucial political support for an important step to try to bring peace and justice to Ireland.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. Chairman, first, I want to commend you, Chairman Hamilton, and the distinguished ranking Republican member Mr. Gilman, for their work on this legislation, as well as both the majority and minority staff which have done an outstanding job.

I strongly support this legislation. I believe we have a fleeting moment of historic opportunity to put an end to the anguish that has torn apart that long-suffering island. The Anglo-Irish Agreement will not fly without our participation, without our support, and without our involvement.

And I urge my colleagues to support this legislation.

Chairman FASCELL. Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman, as the gentleman from New York would recall, and the gentleman from California, who just spoke, high-level officials from the United Kingdom and from the Government of Ireland, including the Prime Minister of Ireland, made a point to us, in January, that it was important that we

provide the flexibility and perhaps the expression of intent, that a concentration of funds would be available to those areas immediately on the border between Northern Ireland and Ireland; and I would ask the gentleman from Indiana just for purposes of legislative intent and perhaps the gentleman from New York, as well: Is there anything contrary to that flexibility which the Prime Minister and officials from United Kingdom have asked us, that indeed they do have the flexibility to concentrate assistance on those areas immediately on the border on both sides of the border?

I think for purposes of legislative intent, perhaps it is important to have that kind of expression here.

Mr. HAMILTON. I think the bill is broadly drafted, and that flexibility is contained in the bill.

Mr. GILMAN. And the intent to concentrate on those areas was explicitly set forth to us when our delegation visited with the representatives of the Irish Government, and I am certain our own people, who will be observing the method in which these funds are going to be disposed, will insist on that kind of a disposition.

Mr. BEREUTER. I thank my two colleagues for that reassurance and establishment of legislative intent here today, and I want to express my strong support for this legislation.

And, Mr. Chairman, I yield back my time.

Chairman FASCELL. Is there any further discussion?

Mr. Bonker.

Mr. BONKER. Mr. Chairman, I would like to ask the chairman of the subcommittee about the amounts involved for fiscal year 1987. It is to be $50 million?

Chairman FASCELL. Yes.

Mr. BONKER. And in view of the Gramm-Rudman spending restraints that are now imposed on this committee, am I to believe that this money is going to come from unearmarked ESF funds?

Mr. HAMILTON. First, I should point out to the gentleman from Washington that there is an excess in the authorization that we are dealing with here in this committee, and that there are no new funds that we are suggesting.

The outlays for $50 million for each year will come from a variety of programs that I mentioned very briefly in my opening statement.

Mr. BONKER. Programs or countries?

Mr. HAMILTON. Countries.

Mr. BONKER. We are talking about ESF money——

Mr. HAMILTON. That is right.

Mr. BONKER [continuing]. That otherwise would be earmarked for certain countries that qualify.

Mr. HAMILTON. That is correct.

Mr. BONKER. Then, I guess that this committee on an authorizing bill does not have to necessarily make those tough choices, but the Appropriations Committee is going to have to debit some accounts in order to come up with the money?

Mr. HAMILTON. That is correct.

Mr. BONKER. I thank the gentleman.

Mr. DORNAN. Mr. Chairman.

Chairman FASCELL. Mr. Dornan.

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Mr. DORNAN. Mr. Chairman, I also support this legislation, and I want to thank all the parties involved for the second paragraph, section 4, indicating that the President shall make every effort in consultation with these two friendly governments, involving the United Kingdom and Ireland, to ensure that there is U.S. representation on that board.

Historians in this country vary in their projection of how many Americans are of Irish heritage. Those who have some Irish heritage—it goes up into the 40 millions; those with direct Irish heritage, like myself, somewhere around 17, 18 million. I think that both governments should realize that this is, as Mr. Lantos has put it, a magnificent little point in history.

I was an eyewitness to the beginning of the pure civil rights demonstration. When I was in Northern Ireland in 1969 I covered it as a correspondent. It went straight downhill from there, and now here is an opportunity to turn it around.

So, I hope that the President does use his good offices to make sure we are there to see, or at a minimum to have some voice, on how these funds are spent by this International Fund. I hope that both governments will take note of this, and that we can get close to a unanimous vote here in our committee on this excellently drafted piece of legislation.

Thank you, Mr. Chairman.

Mr. GARCIA. Mr. Chairman.

Chairman FASCELL. Mr. Garcia.

Mr. GARCIA. Mr. Chairman, I would like to join with my colleague from California in praising this legislation. As one who has been to Belfast, Northern Ireland, I can tell you that this measure is long overdue. I want to join with all my colleagues in commending both the ranking member as well as the chairman of the subcommittee and the full committee for the fine work. This may not end the violence in Northern Ireland, but I am hopeful that it will move us a little closer to securing a lasting peace there.

Ireland has been pretty good to America. Remember, this is coming from a Puerto Rican from the South Bronx. We have had two Irish-American Presidents and several Speakers of the House. I therefore think it is important to join together in commending the leadership for their work on this bill.

Chairman FASCELL. Mr. Torricelli.

Mr. TORRICELLI. Thank you. Mr. Chairman, I, too, would like to commend you, the chairman of the subcommittee and Mr. Gilman on your work and this fine piece of legislation. I would, however, for a moment like to play the role that is usually reserved for Mr. Hyde in reminding us of our obligations for consistency.

If this committee were meeting on legislation regarding South Africa or other nations where there is a division and a practice of real discrimination, we would be insisting upon strong conditions to ensure that our intentions, our policy, and our funds were not misused.

This legislation speaks to those issues without strong conditions. And while I support the legislation because I believe that it is, on balance, a positive approach, I would suggest to those who would take advantage of our good intentions and use our funds without reading our clear commitments and intent to end discrimination

and to provide real opportunity to the Catholic minority, that they do so at their own peril, because they risk destroying the coalition that makes this legislation possible.

And so with those reservations and with that hope that this will be properly read not only in this committee but also in Ireland and in London, I urge my colleagues to join in its support. Thank you, Mr. Chairman.

Chairman FASCELL. Are there any further comments?

[No response.]

Chairman FASCELL. Are there any amendments?

[No response.]

Chairman FASCELL. If not, Mr. Hamilton.

Mr. HAMILTON. Mr. Chairman, I move that we report the bill, H.R. 4329.

Chairman FASCELL. All those in favor of reporting the bill favorably, signify by saying "aye."

[A chorus of "ayes."]

Chairman FASCELL. All those opposed, "no."

[No response.]

Chairman FASCELL. The ayes appear to have it, The ayes have it, and the bill is agreed to. Thank you, gentlemen.

[Whereupon the committee proceeded to other business.]

APPENDIX 1

SUPPLEMENTAL QUESTIONS SUBMITTED BY THE SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST TO THE DEPARTMENT OF STATE AND RESPONSES THERETO

Q. What is U.S. policy on the question of sovereignty over Northern Ireland? Are you satisfied with the formula devised in the Agreement?

A. The United States has always recognized Northern Ireland as part of the United Kingdom. The British and Irish Governments' Agreement of November 15, 1985 posits this status as well as the principle that any change in the future status of Northern Ireland could come about by operation of the will of the majority of the population there. The Administration considers that the Agreement's approach to this issue represents a sound approach by governments most directly involved in the Northern Ireland issue and should be respected. It is not for the United States to make decisions about Northern Ireland.

Q. There is much emphasis on the need to develop the private sector throughout Ireland. Roughly how much money, or what percentage of the money, would you anticipate being devoted to this purpose?

-- Would this include money provided through OPIC (Overseas Private Investment Corporation)?

-- How much money do you anticipate would come through OPIC channels?

-- How would this OPIC assistance work?

-- Are you considering tax breaks and other incentives to encourage U.S. business to expand their operations and to invest in Ireland?

-- What would these incentives be?

-- What steps can be taken to improve management for Irish businesses and companies?

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A. -- In addition, to direct cash contributions to the International Fund intended for futher revitalization of Northern Ireland and areas of the Republic of Ireland most affected by the instability of recent years, the Administration plans to make available programs of OPIC and AID to stimulate foreign direct investment. We are hopeful that U.S. private investors will contribute to private sector development in the region by offering managerial training, up-to-date technology and knowledge of international markets.

-- Actual dollar levels will depend to a large extent on the number, size, and types of projects generated.

-- OPIC has a number of programs suited to the objective of stimulating U.S. investment and economic activity in the region.

-- OPIC's Political Risk insurance, covering losses associated with violent acts, terrorism and sabotage, would encourage the inflow of private direct investment by removing concerns about these potential risks from investors' assessments of business opportunities in the area. OPIC could insure up to $300 million of U.S. direct investment.

-- OPIC's Finance programs are: The Direct Loan Program providing loans, ranging from $100,000 to $4 million, to U.S. small businesses and the Loan Guarantee Program, available to all businesses, providing OPIC guarantees to U.S. lenders of $1-75 million covering both commercial and political risks.

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-- In the Investment Encouragement area there are still other programs: Investment Missions (in which American business executives meet key host country businessmen and officials) and the Opportunity Bank (a computer service matching overseas opportunities with investor's interests).

-- OPIC believes it needs special legislative authority to operate without restriction in the region in light of existing statutory limitations on OPIC operations. OPIC will also have to negotiate bilateral agreements with the sovereign nations involved before commencing operations.

-- Finally, OMB has directed that OPIC develop a plan to privatize its activities. An interagency group is currently investigating a range of privatization alternatives. We are not sure how such a measure, if implemented, would affect OPIC involvement in the Northern Ireland context.

-- The Administration did not propose tax incentives to stimulate U.S. investment in the affected areas. U.S. tax policy is neutral with respect to location of income.

Question: AID is reportedly prepared to provide up to $20 million of housing guarantees. Would this be the sum for each of the five years, or is the sum intended only for FY 1986?

Answer: $20 million is currently available for Northern Ireland under the FY 1986 authority for the Housing Guaranty program. At this time no authority exists to issue Housing Guarantees in FY 1987 or subsequent years.

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Question: How would this Housing Guaranty program work?

Answer: Following approval AID will work with the governments of Great Britain and the Republic of Ireland to prepare an investment program in the housing sector that would benefit families with incomes below the median for Northern Ireland. Through its normal process of project authorization AID would then establish a program and sign agreements with the recipient to spell out specific steps necessary for the closing and disbursement of AID guaranteed loans from U.S. private investors to fund the program. The recipient would be responsible for implementing the program in accordance with the AID agreements.

Question: There are a number of housing areas in Northern Ireland and Ireland which, because of their poverty and high unemployment, are thought to be breeding grounds for political extremism. Will these be targets for this housing money?

Answer: Targetting of the Housing Guaranty funds would result from the joint decisions made by AID and the recipient governments in the process of designing and authorizing the housing program.

Question: Which housing areas are thought to need the most immediate attention?

Answer: AID has not yet investigated this subject, but it would be part of a housing sector assessment developed at the outset of the joint planning process between AID and the recipient governments.

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Question: Would most of these neighborhoods be reconstructed, or is there a chance that some will be torn down and their inhabitants relocated in areas where employment prospects are better?

Answer: AID is disinclined to tear down existing housing stock in areas where housing is already in short supply. Upgrading of substandard housing and neighborhood facilities is our normal approach. But determination of a specific program plan for Northern Ireland would result from the joint planning process explained previously.

Question: Isn't it true that $20 million in cash could generate loan guarantees greatly in excess of the $20 million in loan guarantees you are considering requesting?

Answer: Perhaps, but it is not clear that the existence of a $20 million reserve fund would lead to housing investments by private U.S. investors in excess of the reserves unless a sovereign guaranty is also provided.

Question: What does it cost the U.S. Treasury to provide $20 million in housing guarantees?

Answer: The $20 million will be lent by U.S. private financing institutions, not by the U.S. Treasury. Costs associated with originating and managing the Housing Guaranty program are recovered from fees paid by the borrower. However, the guaranty does create a contingent liability for the U.S. Government. That contingent liability would only become a cost in the event of a default by the borrower. In the whole history of the Housing Guaranty program, nearly $1.5 billion in loans have been guaranteed with negligible cost to the Treasury.

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APPENDIX 2

STATEMENT SUBMITTED FOR THE RECORD BY THE IRISH NATIONAL CAUCUS

Irish National Caucus, Inc.

National Director
Fr. Sean McManus
Deputy National Director
Executive Director
Secretary Treasurer
Chairman Board of Advisors
Director Irish American Affairs
Director Legislative Affairs
INC Liaison in Ireland
Congressional Friends

March 3, 1986

SUBMISSION BY: The Irish National Caucus

TO: The House Foreign Affairs Committee

RE: Foreign Aid to Support the Anglo-Irish Accord

The Irish-American Community is deeply concerned that U. S. Foreign Aid to support the Anglo-Irish Accord will not in effect serve to bolster up British oppression and injustice in Northern Ireland or subsidize anti-Catholic discrimination.

That is why we urge that: (1) Foreign Aid should not be used by the British Government for military or security purposes or for the gathering of intelligence; (2) Foreign Aid should be tied to The Mac Bride Principles (please see attached the Irish National Caucus Newsletter "The Irish Lobby" which explains these Principles); (3) Foreign Aid should be tied to the human right's provisions of the Foreign Assistance Act.

Over and above these conditions the Irish National Caucus has a number of questions and concerns that we respectfully request the Foreign Affairs Committee to focus on.

As we understand it, the proposal is to give the aid to a Commission.

Who will select this Commission? Will the U. S. have any say in its selection. Will - most importantly - an American be a member of the Commission?

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The Irish National Caucus feels very strongly that there should be an American on this Commission to monitor how the money is spent.

Another question we would like the Committee to look at is: "Where will this Commission sit - in London, Dublin, or Belfast?"

Under the terms of the Anglo-Irish Accord, the Irish Government can only "put forward views and proposals on matters relating to Northern Ireland...."(Article 2(b)). The British Government retains full and exclusive sovereignty. The intergovernmental Conference has no executive role. As British Prime Minister, Mrs. Margaret Thatcher said in the House of Commons: "The Conference will not be a decision-making body."

The question we, therefore, ask the Foreign Affairs Committee to investigate is this: Given the fact that the Irish Government by definition has no executive say, how much influence can it in effect have on how U. S. Foreign Aid is spent in Northern Ireland?

Finally, if the Foreign Aid is to be given over a period of five years, what happens if, say after a year, it is clear that the Anglo-Irish Accord cannot be implemented? Will the Foreign Aid be then discontinued?

We respectfully request your serious consideration of the points raised in this Submission.

We attach for your interest an important article from the Boston Herald (January 21, 1986) by Mayor Raymond Flynn, "Northern Ireland's Future Is On The Line" in which he calls for Foreign Aid to be tied to The Mac Bride Principles.

We further urge the Committee on Foreign Affairs to examine the implications of the work strike by the Protestant Community in Northern Ireland on March 3, 1986 to oppose the Anglo-Irish Accord. According to all reports, Northern Ireland was brought to a virtual stand-still. This shows clearly who controls the jobs in Northern Ireland. This is especially true in the case of Shorts, which has received substantial contracts from the U. S. Air Force in the past few years.

Shorts had pledged to the U. S. Government, Congress and the Air Force that it would cease all anti-Catholic discrimination and sectarianism. Yet, according to B.B.C. World Service: "very few workers showed up at Shorts' during the strike.

Thank you for your attention.

Father Sean McManus
National Director

Rita Mullan
Executive Director

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APPENDIX 3

STATEMENT OF THE AMERICAN IRISH POLITICAL EDUCATION COMMITTEE (PEC) ON THE ANGLO-IRISH AGREEMENT AND AMERICAN AID PROPOSALS

After reviewing the text of the Anglo-Irish Agreement of November 15, 1985 and certain events since that date, the PEC has the following comments:

- We support a united, independent and democratic Ireland. We regret that this Agreement does not advance the reunification of Ireland, but can even retard that goal.

- If the Agreement were neutral on the issue of reunification, which it is not, the only possible justification for it would be if it improved the position of the oppressed nationalist community in Northern Ireland. Whether it will do so depends on the actual implementation of the Agreement. The British-Loyalist record is such that hopes for progress on this score seem dubious. The important point is that progress on human rights should not be assumed in advance. Proof is required. The Agreement itself has accomplished nothing in this regard.

- The Agreement does provide a framework for real action on a number of matters the implementation of which will be a litmus test for the effectiveness of the Agreement. These include abolition of sectarian "security" forces such as the U.D.R., ending of legal internment through remand with trial, exposure and punishment of those responsible for the officially condoned violence of the shoot-to-kill incidents and the August 12, 1984 assault by the security forces, real teeth for the Fair

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Employment Act, and other such matters - not just meaningless changes in the Flags and Emblems Act, etc. This decision will be made by the people of Northern Ireland - not by British, Irish Republic and American politicians. The PEC will wait to see if real progress is made on the real problems.

- The Agreement does not obtain for the Irish government anything of substance which they do not have already. On the other hand it concedes important matters, some of which will be difficult to recover in the future if the Agreement proves ineffective. A real potential danger is that in the name of "security", this Agreement will result in Irish people who have the same basic aim - a United Ireland - fighting each other, an action which will be to the advantage only of those opposed to a United Ireland.

- The hostile reaction of the Loyalists against the Agreement only reflects the predictable intransigence of the Loyalists, not the wisdom of the Agreement.

- What is needed, rather than ineffective talks on insignificant matters, is a declaration by the British that they support eventual reunification of Ireland. Only such a declaration will compel their Loyalists followers to begin to face the inevitable reality of having to live with their fellow Irishmen in a democratic Ireland - a solution which will end British-Irish hostilities and the resultant sectarian violence. Public opinion polls have shown that this is the desire of large majorities of the British and Irish people.

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SOME SPECIFIC POINTS

POLITICAL STATUS OF NORTHERN IRELAND

In Article I of the Agreement the Irish government has accepted Northern Ireland as a legitimate political entity. In doing this they have largely thrown away the possibility of arguing that partition was coerced and therefor legally invalid. In doing this, they also have made a concession which surely contravenes the spirit, if not the letter of the Irish Constitutional claim to sovereignty over all of Ireland. This is a matter for the Irish people to decide. Many will not accept this concession, even if a majority might do so today. The seeds of future conflict have been sown. It seems to us that no Irish government should ever accept the legitimacy of the Orange State of Nothern Ireland, a state created and, by design, ruled in a manner to permanently subjugate one element of its population - the nationalists.

THE CONFERENCE

The Agreement established a permanent Conference of British and Irish officials which is to be a forum for future Anglo-Irish discussions. Such meetings have taken place for some time, of course, even without this Agreement. The Agreement merely institutionalizes these contacts. The Loyalists are upset at the very idea of Irish government representatives having <u>any</u> say on the political, security, legal and cross-border cooperation matters mentioned in the Agreement. The real question is, will these matters be affected in any meaningful way? If not, the Conference will be useless except as a talking shop and political pork-barrel for Irish political place-seekers.

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OLIVER TWIST

Like Oliver Twist, begging the Master for another bowl of gruel in the famous Dickens story, the Irish government is allowed to "put forward views and proposals" on a number of topics - just as they can now do without the Agreement and its Conference. Of course, the Master can refuse to entertain suggestions deemed impertinent. We doubt many impertinent, i.e. meaningful, proposals will be "put forward" by the Irish representatives. We will be watching and waiting. Some will say, well, why not try it? The answer is that there is a real danger in proposals which are not likely to improve things, but give the appearance of doing so, and at the same time reinforce British hegemony in Ireland by crushing Nationalists. We are particularly concerned at statements attributed to the Irish Prime Minister to the effect that the Agreement puts an end to the struggle for a United Ireland.

DEVOLUTION

This phase, never defined, appears at many places in the Agreement. We think it means the reactivation of the Northern Ireland Assembly, the successor to Stormont. The Assembly doesn't function now because the nationalist parties, particularly the Social Democrat and Labor Party (SDLP), have refused to participate. But SDLP has now endorsed the Hillsborough Agreement. Will they next go back to the Assembly, a long-cherished aim of British policy? If they do, we predict that certain governmental powers in the areas of supposed concern to the Conference (political, security, legal and cross-border cooperation) will then be "devolved" to the Assembly. To the extent this is done, by the terms of the

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Agreement, the Irish government could not even "put forward" their "views and proposals"! The Master's gruel line would be closed down. This is clear from Article II(b) of the Agreement, which provides as follows:

> "The United Kingdom Government accept that the Irish Government will put forward views and proposals on matters related to Nothern Ireland within the field of activity of the Conference insofar as those matters are not the responsibility of a devolved administration in Northern Ireland." (Emphasis supplied).

In other words, if the British can crank up the Assembly and claim "normalcy" they can return to their Imperial policy of ignoring Irish complaints. However, at that point the Irish government will have given away their moral position since they will have agreed to the legitimacy of the Orange State. The Irish government of the day could only repudiate the Agreement, a negative position which would allow the British to paint them in a poor light in a world which cares little for the problem.

DOLLARS - THE BOTTOM LINE

This Agreement is a key part of the British strategy to get the U.S. taxpayer to pick up the check for the costs of running the Orange State. Running their puppet state costs the British dearly. In the long run, these costs are likely to be the decisive factor in getting the British to leave Ireland. The British see that their North Sea oil revenues are declining and have a quite limited life and they will face increasing pressure from their own people to cease costly colonial adventures in Ireland and elsewhere. Already, such "U.S. aid" proposals have been hinted at by the President and others. They will be sold to the Congress on the principle that the Agreement has stabilized the situation in Northern Ireland. But there is no evidence that this is the case. Also, stabilization in the context of this Agreement means continuance of British rule in Ireland.

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Finally, directly or indirectly, the funds will go to "security" and will provide little benefit to the people. All with the blessing of the Irish Government.

We note with interest that those most knowledgeable about the situation in Northern Ireland tend to oppose the Agreement. Some of those who favor it do not favor reunification of Ireland at all. They just want the problem to go away or, worse, see it as a means of relieving an "ally", the British Government, of a nagging financial and political problem. This should give pause to Irish Americans about blindly endorsing this document and the aid proposals.

CONCLUSION

We recognize that failure to support the Hillsborough Agreement will be seen by some as a negative attitude. But to return to the principle mentioned at the beginning of this analysis, we regret to say that on balance we see the Agreement as a potential step backwards on the road to Irish reunification. If gun-peal and slogan cry could have united Ireland, it would have been united long ago. If Agreements with British could keep Ireland divided it will always be divided.

The American Irish Political Education Committee (PEC) urges concerned American Irish and others to continue their efforts seeking a just and lasting solution to the partition of Ireland. That is, a united, independent and democratic nation.

Respectfully submitted,

John J. Finucane, President
Albert R. Doyle, Vice President
and General Counsel

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APPENDIX 4

BIOGRAPHIES OF WITNESSES

HON. MARIO BIAGGI

Mario Biaggi, Democrat, of Bronx, NY; born in New York City, October 26, 1917, graduated P.S. 171 and Haaren High School, New York City; graduated New York Law School, LL.B., 1963; admitted to the bar of the State of New York; community relations specialist with the New York State Division of Housing; Assistant to the Secretary of State, New York State, 1961-65; member of the New York City Police Department (1942-65), retired on line of duty disability as detective lieutenant; received Medal of Honor for Valor, NYPD, plus 27 other decorations, including 10 for being wounded in the line of duty; National Police Officers Hall of Fame (1961); senior partner and founder of Biaggi & Ehrlich, law firm; admitted to the U.S. Supreme Court, the New York Supreme Court, and the U.S. Tax Court, et al.; president, National Council of Columbia Associations (1958-present); president, National Police Officers Association (1967); member, American Bar Association; lifetime member, NAACP; member, National Development in Postsecondary Education Commission, National Italian American Hall of Fame (1976); Jewish Identity Center Award for Dedicated Efforts on Behalf of Jewish Causes (1978); Order of the Pike Award, Ancient Order of Hibernians (1980); nominated for Nobel Peace Prize (1982); American Merchant Marine Achievement Award (1983); Grandparent of the Year (1983); married to Marie Wassial; four children, Jacqueline, Barbara, Richard, and Mario II; elected to the 91st Congress, November 5, 1968; reelected to each succeeding Congress.

HON. THOMAS S. FOLEY

Thomas Stephen Foley, Democrat, of Spokane, WA; born in Spokane, March 6, 1929, son of Hon. Ralph E. and Helen Foley; married to Heather Strachan of Washington, DC; graduted from Gonzaga High School, the University of Washington (B.A. 1951), and the University of Washington Law School (LL.B. 1957); associated with the firm of Higgins & Foley in the practice of law in 1957; appointed deputy prosecuting attorney of Spokane County in 1958; instructor in constitutional law at Gonzaga University Law School; appointed assistant attorney general, State of Washington, 1960; served as assistant chief clerk and special counsel of the Committee on Interior and Insular Affairs of the U.S. Senate 1961-63; elected to the 89th Congress, November 3, 1964; reelected to each succeeding Congress; chairman, Committee on Agriculture, January 1975 to Janury 1981; chairman, House Democratic Caucus, December 1976 to December 1980; appointed House majority whip, December 8, 1980, and reappointed for the 98th Congress; vice chairman, Committee on Agriculture, and chairman, Subcommittee on Wheat, Soybeans, and Feedgrains; Committee on House Administration.

HON. THOMAS P. (TIP) O'NEILL

Thomas P. O'Neill, Jr., Democrat, of Cambridge, MA; born December 9, 1912; son of Thomas P. O'Neill and Rose Anne (Tolan) O'Neill; educated St. John's High School and Boston College, A.B. 1936; engaged in the insurance business; married Mildred Anne Miller June 17, 1941; five children: Rosemary, Thomas 3d, Susan, Christopher, and Michael Tolan; member Cambridge School Committee 1946 and 1947; member of Massachusetts Legislature 1936-52, serving as minority leader 1947 and 1948 and as speaker of the house 1948-52; elected to the 83d Congress November 4, 1952; reelected to each succeeding Congress; Majority Whip, 92nd Congress; Majority Leader, 93d and 94th Congresses; elected Speaker, 95th, 96th, 97th, 98th, and 99th Congresses.

HON. ROZANNE L. RIDGWAY

Rozanne L. Ridgway was sworn in as Assistant Secretary of State for European and Canadian Affairs on Friday, July 19, 1985. From 1982 until assuming her present position, she served as American Ambassador to the German Democratic Republic. A career diplomat, Ambassador Ridgway has also served as Counselor of

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the Department of State, Ambassador to Finland and Ambassador for Oceans and Fisheries Affairs.

Ambassador Ridgway was born in St. Paul, Minnesota. She received a B.A from Hamline University in St. Paul, where she subsequently received an Honorary LL.D. Ambassador Ridgway began her Foreign Service career in the Department of State working as an information specialist. Her early assignments abroad were as personnel officer at the Embassy in Manila and as visa officer at the Consulate General in Palermo.

In September 1964, she was assigned to the Department of State as an international relations officer, until her posting to Oslo in June 1967 as political officer. Ambassador Ridgway returned to the Department in 1970, working first as Ecuadorean Desk Officer and then as Deputy Director for Policy Planning and Coordination in the Bureau of Inter-American Affairs. She was Deputy Chief of Mission in Nassau from 1973 until her appointment in 1975 as Deputy Assistant Secretary of State for Oceans and Fisheries Affairs. In February 1976, she confirmed as Ambassador for Oceans and Fisheries Affairs.

She served as Ambassador to Finland from 1977 to 1980, when she became Counselor for the Department. After a period of service as a special negotiator assigned to the Secretary's staff, she was sworn in as Ambassador to the GDR in October 1982.

Ambassador Ridgway received the Department's Superior Honor Award in 1966, 1975 and 1981, the Meritorious Honor Award in 1970, and the William Jump Meritoricus Award for Exemplary Achievement in Public Administration. In April 1977, she received the annual national award of the National Fisheries Institute and in October 1982 the Joseph C. Wilson Award for Achievement in International Affairs.

Ambassador Ridgway holds the rank of Career Minister. She is married to Captain Theodore Deming, U.S. Coast Guard.

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